

Harris Williams & Co.
middle market

Energy & Power Industry Update
January 2011

Member FINRA/SIPC



What We've Been Reading

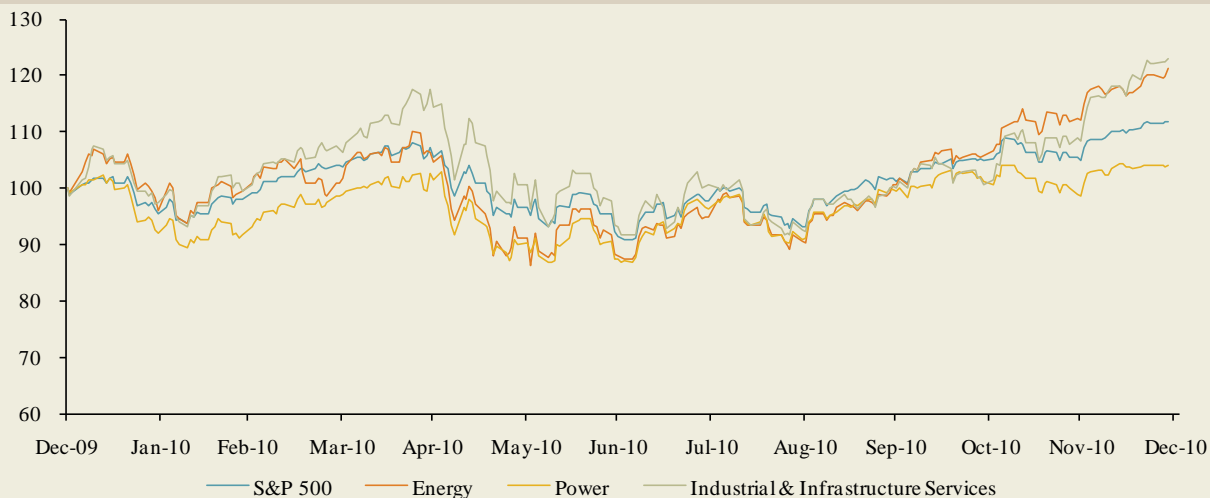
- From a continued solar industry boom to a flurry of smart grid M&A activity, 2010 was a big year for cleantech. It was also a big year for “top ten” and “the year ahead” cleantech lists. *GigaOM* issued a barrage of lists in December, including “[Top 10 Greentech Influencers of 2010](#),” “[10 Cleantech IPO Lists for 2011](#),” “[Greentech 2011: 4 Trends Not to Expect](#),” “[What the Smart Grid Needs in 2011](#),” and “[Top 10 Solar Trends for 2011](#).” Not to be outdone, *Greentech Media*, issued its own series of lists (summarized [here](#)), including “Fourteen Tectonic Shifts in Greentech,” “Greentech's Top Thirteen Faux Pas,” “Solar Power Year in Review,” “The Year in Demand Response,” and one of our personal favorites, “15 PowerPoint Slides That Shook the Earth.”
- In a December guest post, “2011 Is the Year For Energy Efficiency,” for *Greentech Media*, Mike Dauber at Battery Ventures argues that “[2011] is the year that we will really see cleantech companies which are focused on energy efficiency take off.” Dauber believes that one of the biggest opportunities is in commercial building energy efficiency, particularly controlling building HVAC systems, noting that “JCI, Honeywell and Siemens have building control systems, but they don't have a software offering for HVAC optimization.” Read the article [here](#).
- *The New Yorker* offers a somewhat contrarian perspective on the space in “The Efficiency Dilemma.” In 1865, Englishman William Stanley Jevons' book *The Coal Question* concluded, “It is wholly a confusion of ideas to suppose that the economical use of fuel is equivalent to a diminished consumption. The very contrary is the truth.” David Owen examines the potential applicability of the “Jevons Paradox,” as it is known today, to modern energy efficiency efforts, where efficiency gains are often “reinvested in additional consumption.” Read the article [here](#) (subscription required).
- Deepwater offshore drilling in the U.S. looks set to return within the month. Following the government mandated moratorium in May 2010, no new permits for deepwater wells have been issued despite the lifting of the moratorium in October. The *Wall Street Journal* reports on the Obama administration's recent announcement that it plans to clear the path for 13 projects approved prior to the moratorium. While many in the industry remain frustrated, the move was received as an important first step. Read the article [here](#).
- Finally, the Energy Information Administration (“EIA”) released a preview of its *2011 Annual Energy Outlook (“AEO”)* in December (the full report will be available in March). Of note, the EIA more than doubled its estimate of unproved, technically recoverable shale gas reserves, which results in lower projected natural gas prices and a 20% increase in natural gas production (double for shale) through 2035 versus the projections in the *2010 AEO*. Read the summary [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 \$91.12 per barrel, a 32.5% increase from its one-year low on May 25, 2010.
 - Natural gas currently trades at \$4.30 per MMBtu, representing a 19.4% increase from its one-year low in late October 11, 2010 but a 27.7% decrease off its year one-year high on January 6, 2010.

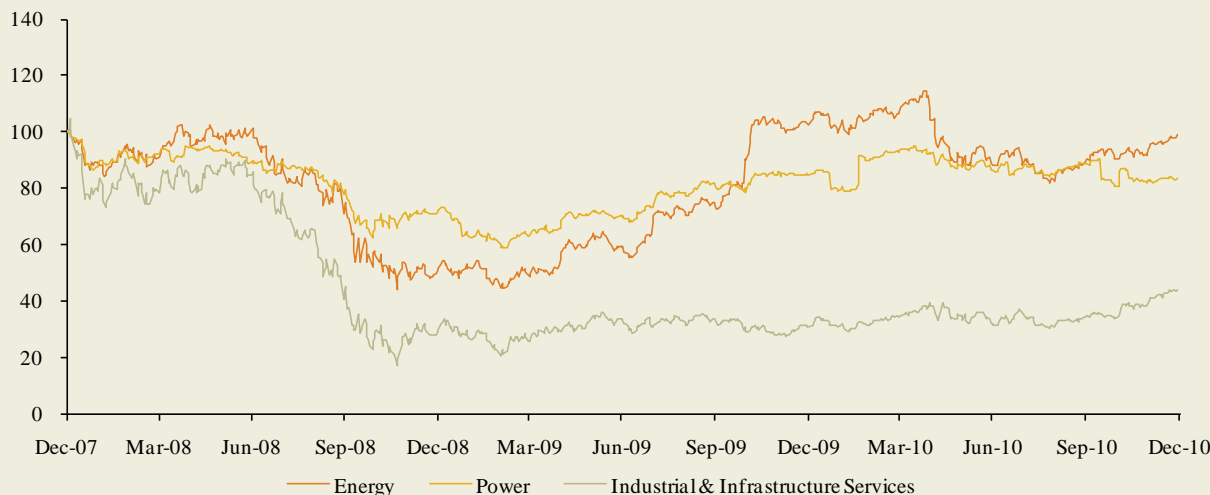
LTM Indexed Stock Performance¹

Index	% Change
S&P	11.7
Energy	21.5
Power	4.1
I & IS	23.1



Indexed LTM EBITDA Multiples¹

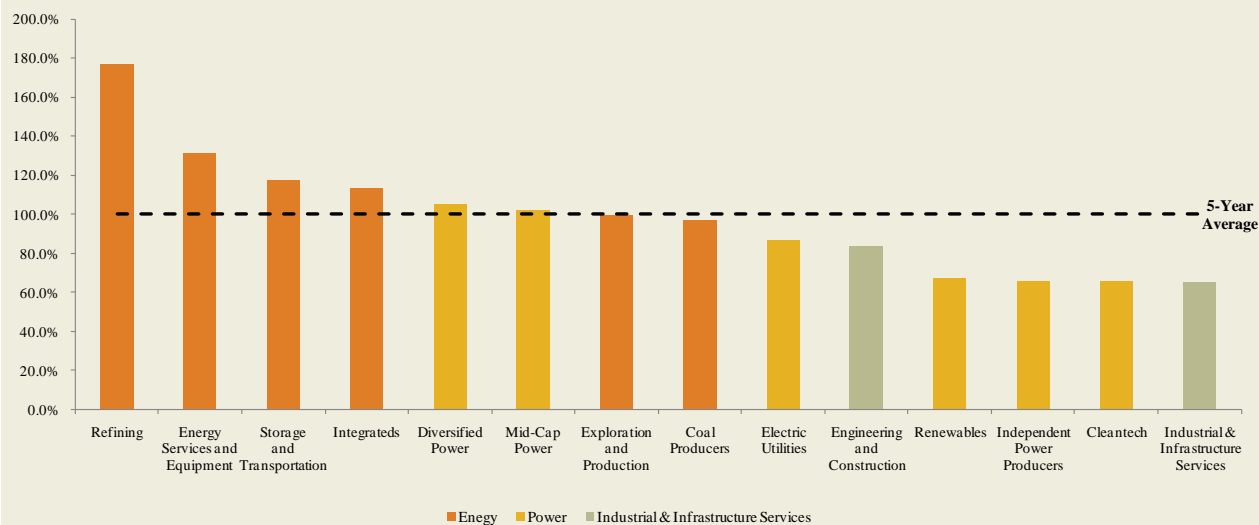
Index	% Change
Energy	0.9
Power	(16.8)
I & IS	(56.0)



Key Trading Statistics¹

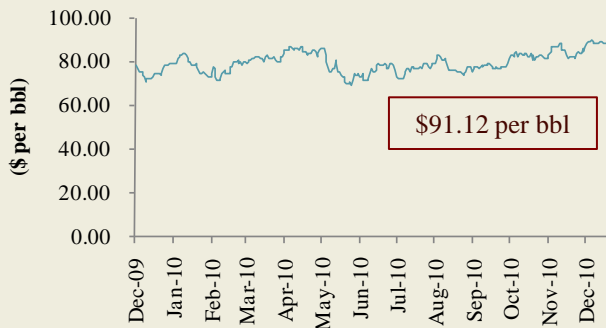
Industry Segment	Stock Price % Change		TEV / LTM EBITDA Multiple as of			TEV / 2011 EBITDA		P/E Ratio		
	1 Month	12 Month	12/30/09	6/30/10	Current	Current	Current	2009		
Energy										
Integrations	10.4%	18.2%	6.2x	4.4x	5.1x	4.3x	11.8x	11.2x		
Energy Services and Equipment	7.8%	32.1%	6.9x	8.3x	11.2x	7.4x	24.0x	17.1x		
Exploration and Production	8.2%	5.0%	7.6x	6.5x	7.6x	6.9x	21.9x	18.7x		
Coal Producers	16.3%	34.6%	8.2x	6.1x	11.4x	6.7x	25.7x	13.5x		
Refining	11.9%	49.6%	5.0x	11.7x	10.9x	6.0x	NM	15.6x		
Storage & Transportation	1.4%	23.7%	12.5x	12.6x	14.2x	10.9x	20.4x	19.0x		
Power										
Diversified Power	9.6%	31.3%	9.1x	8.6x	11.6x	8.9x	20.8x	14.8x		
Mid-Cap Power	(0.3%)	30.3%	9.2x	7.1x	7.8x	6.6x	17.3x	14.8x		
Independent Power Producers	6.1%	(26.8%)	5.9x	9.4x	6.1x	8.1x	16.1x	8.0x		
Electric Utilities	2.1%	(0.5%)	8.2x	7.6x	7.5x	7.2x	13.6x	11.6x		
			TEV /							
			LTM Revenue		2011 Revenue					
Renewables	9.7%	(33.7%)	2.3x	1.2x	1.4x	1.2x	18.7x	8.1x		
Cleantech	7.5%	(15.9%)	2.1x	1.6x	1.3x	1.2x	25.9x	16.3x		
Industrial & Infrastructure Services										
Engineering & Construction	13.8%	21.3%	5.4x	5.9x	7.5x	6.9x	20.8x	15.1x		
Industrial & Infrastructure Services	16.2%	23.2%	7.1x	7.1x	10.8x	7.0x	95.7x	15.5x		

Current Valuations Versus Historical 5-Year Average¹

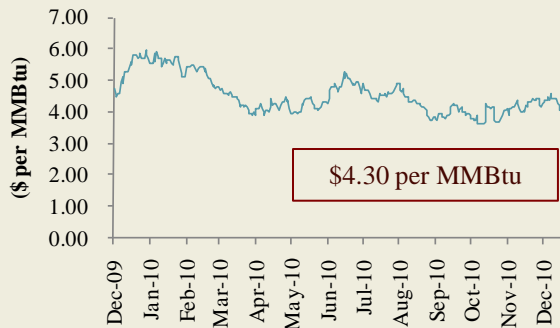


Note: Based upon current EV / LTM EBITDA versus 5-year historical average. For Cleantech and Renewables, valuation is based upon EV / LTM Sales.

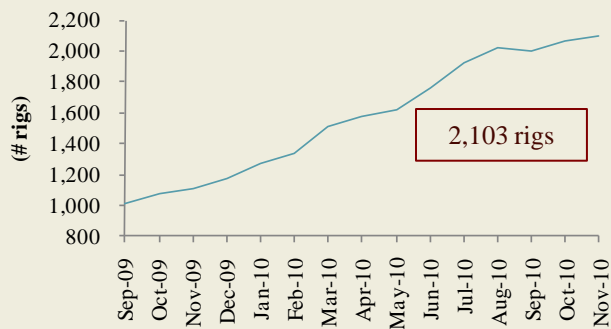
Oil¹



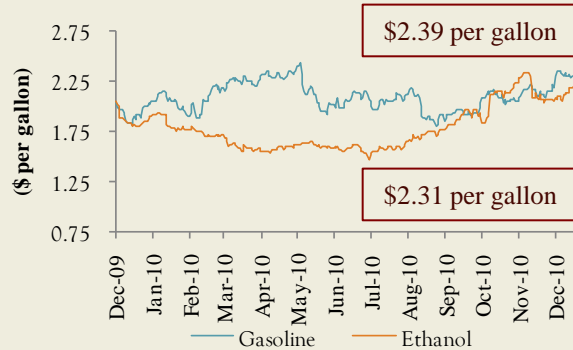
Natural Gas¹



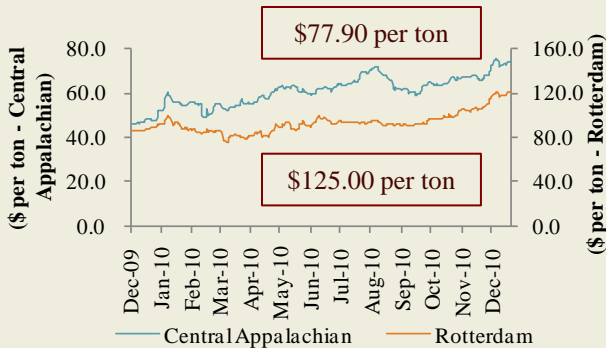
U.S. Rig Counts³



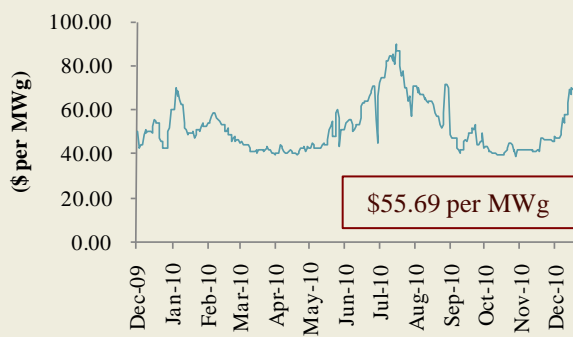
Gasoline and Ethanol¹



Coal¹



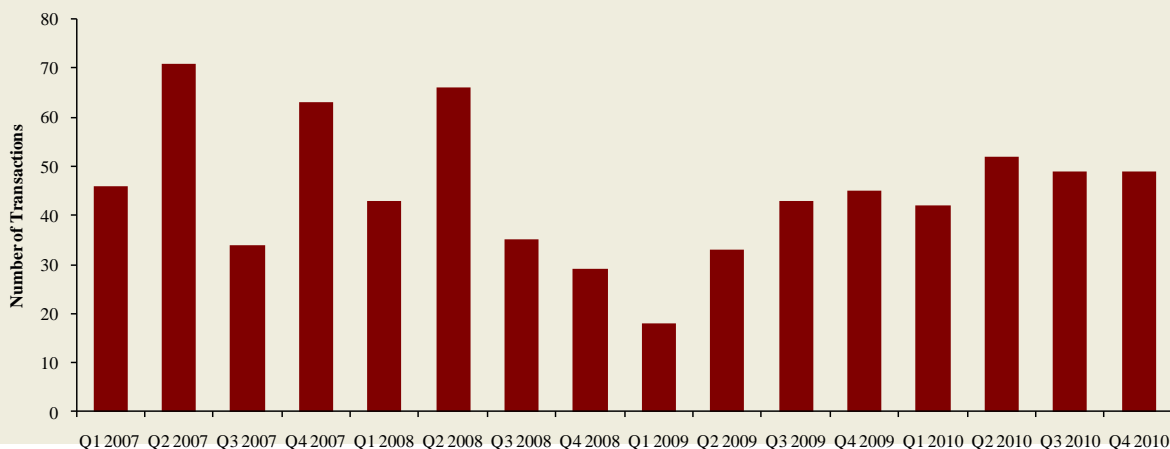
Electricity Prices¹



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

Date	Target	Business Description	Acquiror
12/21/2010	Roberts and Schaefer Company	US based provider of services to the mining and power industries	Kellogg Brown & Root Inc
12/21/2010	Aker Solutions (Process & Construction business)	Norway based listed provider of engineering and construction services	Jacobs Engineering Group Inc
12/20/2010	Mountain West Oilfield Service and Supplies, Inc.	US based provider of remote site workforce accommodations to the oil and gas industry	PTI Group Inc.
12/17/2010	Gray Wireline	US based cased hole wireline company	Seawell Ltd.
12/09/2010	D5X	France based provider of services to optimize energy consumption in buildings	Schneider Electric SA
12/09/2010	Vizelia S.A.	France based software solutions provider to manage energy and water usage	Schneider Electric SA
12/09/2010	Velosi Limited	Channel Islands based provider of asset management and HSE services to oil & gas companies	Applus+ Technologies
12/08/2010	Asais	France based creator of software for managing grid and utility data	Itron, Inc.
12/08/2010	Oil Price Information Service (OPIS)	US based provider of energy and metals information	Platts, Inc.
12/08/2010	Mid-Plains Power, Inc.	US based electrical contractor specializing in high voltage power line and commercial electric construction	Hunter Equity Capital; Manasota Capital
12/08/2010	The Loyaltan Group	US based energy management firm providing energy procurement and price risk management solutions	Advantage IQ, Inc.
12/07/2010	3E Company	US based provider of environmental, health and safety compliance and information management services	Verisk Analytics, Inc
12/06/2010	Insert Key Solutions	US based software solutions provider for process improvement in generation plants and T&D networks	ABB Ltd.
12/06/2010	Global Energy Partners	US based provider of utility energy efficiency and demand response programs	EnerNOC, Inc.

Quarterly United States E&P M&A Activity¹



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	TEV	Stock Performance				TEV / LTM EBITDA Multiple as of			TEV / 2011		P/E Ratio		Net Debt /
		Current Price 12/30/10	Change from Prior Month	Change from Prior Year	% of LTM High	12/30/09	6/30/10	Current	EBITDA	Current	2011	EBITDA 6/30/2010	
Energy													
Integrates													
Exxon Mobil Corporation	\$381,526.0	\$73.36	5.5%	6.7%	99.6%	8.2x	6.1x	7.4x	5.2x	13.0x	11.5x	0.1x	
Chevron Corp.	\$181,145.4	\$91.60	13.1%	18.0%	99.1%	6.0x	3.9x	5.0x	3.7x	10.9x	9.5x	(0.1x)	
ConocoPhillips	\$118,380.3	\$68.00	13.0%	33.4%	99.5%	5.6x	4.5x	5.2x	4.4x	9.2x	10.8x	0.8x	
Occidental Petroleum Corporation	\$79,855.5	\$97.61	10.7%	18.5%	98.0%	9.3x	6.3x	7.5x	5.8x	18.6x	14.0x	0.0x	
Marathon Oil Corporation	\$32,452.1	\$36.84	10.1%	17.1%	99.2%	4.8x	4.4x	4.6x	3.4x	12.7x	8.7x	1.0x	
Hess Corporation	\$28,459.0	\$76.44	9.1%	25.4%	99.3%	6.4x	3.3x	4.2x	4.1x	10.3x	12.9x	0.5x	
Median			10.4%	18.2%	99.2%	6.2x	4.4x	5.1x	4.3x	11.8x	11.2x	0.3x	
Energy Services and Equipment													
<u>Large Cap Diversified</u>													
Schlumberger Limited	\$118,052.7	\$83.36	7.8%	27.2%	99.1%	11.3x	10.2x	18.1x	11.8x	25.2x	22.0x	0.6x	
Halliburton Company	\$39,132.0	\$41.01	8.4%	36.8%	98.3%	7.9x	7.5x	11.1x	7.4x	26.3x	15.0x	0.6x	
Baker Hughes Incorporated	\$26,495.0	\$56.82	8.9%	39.0%	99.4%	6.6x	10.8x	12.5x	7.1x	37.0x	17.6x	1.2x	
National Oilwell Varco, Inc.	\$25,987.4	\$66.89	9.1%	50.0%	99.6%	5.1x	4.2x	8.9x	9.1x	17.3x	17.6x	(0.8x)	
Weatherford International Ltd.	\$23,255.8	\$22.74	11.4%	25.6%	99.0%	10.3x	11.3x	14.4x	8.5x	NM	18.1x	4.3x	
Median			8.9%	36.8%	99.1%	7.9x	10.2x	12.5x	8.5x	25.8x	17.6x	0.6x	
<u>Mid and Small Cap Equipment and Service Providers</u>													
Cameron International Corporation	\$12,043.6	\$50.57	5.1%	21.5%	97.8%	9.7x	7.8x	12.0x	10.6x	24.9x	18.5x	(0.2x)	
Exterran Holdings, Inc.	\$3,706.2	\$24.12	6.4%	13.0%	79.7%	6.1x	7.6x	7.5x	7.4x	NM	NM	3.8x	
Oil States International Inc.	\$3,286.4	\$64.38	8.5%	63.2%	97.6%	5.2x	6.2x	8.9x	6.8x	20.5x	14.7x	0.1x	
Dril-Quip, Inc.	\$2,865.8	\$78.36	1.2%	38.1%	93.5%	13.0x	8.8x	16.5x	14.7x	28.5x	24.9x	(1.5x)	
Complete Production Services, Inc.	\$2,758.9	\$28.91	1.6%	117.4%	88.4%	6.5x	8.6x	9.6x	5.0x	NM	12.1x	2.6x	
Key Energy Services Inc.	\$2,367.8	\$13.07	26.9%	45.2%	97.9%	7.6x	17.5x	21.9x	7.3x	NM	22.8x	5.2x	
T-3 Energy Services Inc.	\$526.0	\$39.79	11.9%	55.4%	98.9%	7.3x	14.0x	19.2x	11.0x	39.7x	19.4x	(0.3x)	
Median			6.4%	45.2%	97.6%	7.3x	8.6x	12.0x	7.4x	26.7x	19.0x	0.1x	

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	Stock Performance				TEV / LTM EBITDA Multiple as of			TEV / 2011	P/E Ratio		Net Debt /	
	TEV	Current Price 12/30/10	Change from Prior Month	Change from Prior Year	% of LTM High	12/30/09	6/30/10	Current	EBITDA	Current	2011	EBITDA 6/30/2010
Construction and Equipment Contractors												
Transocean Ltd.	\$30,249.9	\$69.13	3.1%	(17.3%)	72.9%	6.0x	4.9x	6.4x	6.1x	9.0x	9.6x	1.6x
Noble Corp.	\$11,428.0	\$35.31	4.1%	(13.8%)	77.4%	4.4x	3.6x	6.3x	6.3x	8.1x	9.6x	1.1x
Nabors Industries Ltd.	\$10,463.0	\$23.28	5.4%	4.5%	86.1%	6.3x	7.5x	9.3x	6.2x	NM	14.6x	3.6x
Diamond Offshore Drilling Inc.	\$9,675.6	\$65.93	1.8%	(33.7%)	61.5%	6.5x	4.4x	5.1x	5.4x	9.3x	10.1x	0.2x
Technip	\$8,787.5	\$93.69	20.2%	33.4%	98.4%	4.1x	4.5x	9.3x	NA	50.1x	NA	(2.0x)
Pride International Inc.	\$7,023.9	\$32.96	6.0%	1.7%	95.9%	7.0x	11.3x	18.7x	8.3x	37.0x	12.1x	2.9x
Helmerich & Payne Inc.	\$5,477.6	\$48.88	7.8%	20.0%	98.8%	5.6x	6.5x	7.7x	5.9x	18.4x	14.5x	0.5x
Rowan Companies Inc.	\$5,181.4	\$34.78	15.4%	50.9%	98.3%	3.8x	4.9x	8.9x	8.0x	14.2x	16.0x	1.4x
Acergy SA	\$4,380.3	\$24.25	21.6%	53.8%	97.6%	6.0x	5.7x	10.0x	8.4x	20.7x	22.0x	(0.3x)
Oceaneering International, Inc.	\$3,843.8	\$73.77	6.8%	25.9%	96.0%	7.8x	5.5x	8.4x	8.3x	20.5x	19.9x	(0.3x)
Patterson-UTI Energy Inc.	\$3,367.5	\$21.68	10.1%	38.4%	95.6%	5.7x	5.5x	8.5x	4.7x	70.9x	16.7x	0.1x
Hercules Offshore, Inc.	\$1,139.5	\$3.44	34.6%	(29.8%)	58.8%	5.0x	10.3x	9.2x	7.3x	NM	NM	7.5x
Basic Energy Services, Inc.	\$1,107.1	\$16.73	15.4%	87.3%	95.4%	8.5x	13.4x	13.9x	6.3x	NM	NM	7.8x
Pioneer Drilling Co.	\$742.2	\$8.79	28.3%	8.5%	88.8%	5.4x	9.4x	9.5x	4.7x	NM	NM	4.5x
Cal Dive International Inc	\$718.8	\$5.80	8.4%	(22.8%)	71.3%	3.8x	9.4x	13.5x	5.6x	NM	16.6x	2.3x
eServGlobal Ltd.	\$122.1	\$0.61	(1.9%)	21.4%	85.2%	NM	NM	NM	NA	NM	NA	(0.2x)
Median			8.1%	14.3%	92.1%	5.7x	6.3x	9.2x	6.2x	19.4x	14.6x	1.2x
Exploration and Production												
Large Cap												
Apache Corp.	\$50,253.3	\$119.92	11.4%	15.1%	99.3%	7.5x	4.1x	6.1x	4.5x	14.2x	11.3x	0.7x
Anadarko Petroleum Corporation	\$47,835.8	\$75.59	17.8%	19.0%	98.8%	13.5x	4.5x	7.3x	6.5x	42.7x	37.7x	1.6x
Devon Energy Corporation	\$35,833.6	\$78.20	10.8%	5.6%	99.3%	11.0x	5.6x	5.8x	6.0x	14.4x	13.5x	0.4x
Chesapeake Energy Corporation	\$30,883.2	\$25.97	23.0%	(1.5%)	88.9%	6.3x	5.9x	6.4x	5.9x	17.3x	9.7x	2.5x
EOG Resources, Inc.	\$27,046.8	\$91.75	3.1%	(7.1%)	79.8%	9.5x	10.9x	9.6x	6.4x	46.0x	29.3x	1.5x
Noble Energy, Inc.	\$16,303.7	\$86.34	6.3%	20.1%	97.0%	8.4x	6.3x	7.9x	6.9x	22.3x	19.7x	0.6x
Murphy Oil Corporation	\$14,263.1	\$74.50	10.3%	36.5%	98.0%	5.4x	3.2x	4.7x	4.5x	15.2x	13.1x	(0.0x)
Southwestern Energy Co.	\$14,196.5	\$37.23	2.8%	(23.9%)	70.5%	14.3x	9.6x	8.8x	8.2x	21.2x	21.0x	0.9x
Pioneer Natural Resources Co.	\$12,669.1	\$86.94	8.5%	77.3%	98.8%	12.0x	6.7x	7.8x	7.8x	21.5x	30.3x	1.7x
Newfield Exploration Co.	\$11,682.7	\$72.02	7.8%	46.0%	97.9%	5.2x	5.8x	6.9x	6.6x	15.7x	15.2x	1.4x
Ultra Petroleum Corp.	\$8,602.8	\$47.77	1.7%	(6.6%)	88.6%	15.7x	9.7x	7.9x	8.0x	14.1x	15.6x	1.6x
Quicksilver Resources Inc.	\$4,957.3	\$14.75	3.7%	(3.7%)	88.9%	9.1x	7.6x	8.4x	10.3x	17.0x	40.3x	4.1x
Median			8.1%	10.3%	97.4%	9.3x	6.1x	7.5x	6.5x	17.1x	17.6x	1.4x

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		Current Price 12/30/10	Change from Prior Month	Change from Prior Year	% of LTM High	12/30/09	6/30/10	Current	EBITDA	Current	2011	EBITDA 6/30/2010	
Mid and Small Cap													
Petrohawk Energy Corporation	\$8,099.8	\$18.14	1.7%	(26.1%)	66.3%	11.8x	9.8x	7.7x	6.5x	18.0x	19.9x	3.1x	
Plains Exploration & Production Company	\$7,300.2	\$32.18	12.3%	14.2%	87.9%	3.1x	5.9x	7.7x	6.5x	26.7x	19.2x	2.9x	
SandRidge Energy, Inc.	\$5,986.3	\$7.35	42.4%	(23.4%)	66.3%	7.0x	9.3x	13.4x	8.6x	NM	NM	7.2x	
Forest Oil Corp.	\$5,921.3	\$38.06	11.2%	65.8%	96.8%	5.8x	6.9x	7.7x	7.8x	16.7x	19.7x	2.4x	
Cabot Oil & Gas Corporation	\$4,976.2	\$37.69	7.8%	(14.9%)	81.1%	9.7x	7.7x	9.1x	8.4x	43.7x	69.7x	2.0x	
Swift Energy Co.	\$2,123.9	\$39.62	8.6%	64.6%	94.5%	5.7x	5.4x	7.6x	5.6x	30.0x	19.8x	1.8x	
Delta Petroleum Corp.	\$754.0	\$0.78	2.4%	(31.0%)	40.0%	NM	NM	13.5x	24.9x	NM	NM	95.9x	
PetroQuest Energy Inc.	\$565.0	\$7.44	7.4%	19.2%	84.2%	3.5x	4.1x	4.3x	4.7x	NM	18.4x	0.7x	
Median			8.2%	(0.4%)	82.6%	5.8x	6.9x	7.7x	7.2x	26.7x	19.7x	2.7x	
Coal Producers													
Peabody Energy Corp.	\$18,727.2	\$64.21	9.2%	39.5%	99.6%	9.9x	8.6x	11.4x	7.5x	25.7x	13.5x	1.0x	
CONSOL Energy Inc.	\$14,627.1	\$48.81	16.3%	(3.5%)	84.2%	8.2x	6.1x	11.9x	8.0x	26.1x	16.6x	3.1x	
Alpha Natural Resources, Inc.	\$7,362.4	\$60.16	21.4%	36.0%	98.5%	15.5x	5.3x	8.2x	6.6x	68.8x	14.2x	0.1x	
Arch Coal Inc.	\$7,353.3	\$35.26	20.8%	55.2%	99.3%	9.9x	8.9x	11.6x	6.8x	51.1x	13.2x	2.9x	
Massey Energy Co.	\$6,289.2	\$53.67	9.3%	26.3%	97.9%	8.2x	7.1x	16.1x	6.7x	NM	15.0x	2.0x	
Alliance Resource Partners LP	\$2,507.0	\$65.20	5.2%	48.2%	98.6%	5.2x	4.4x	5.5x	4.7x	9.0x	9.3x	1.0x	
Patriot Coal Corporation	\$2,038.8	\$19.70	21.8%	26.9%	81.2%	4.2x	5.8x	20.4x	6.9x	NM	NM	1.1x	
James River Coal Co.	\$787.7	\$25.21	26.7%	34.6%	98.2%	5.8x	4.0x	5.4x	4.7x	14.2x	10.9x	0.6x	
Farmacol SA	\$351.2	\$13.48	6.8%	(0.1%)	84.2%	10.6x	8.9x	9.3x	NA	12.0x	NA	1.1x	
Median			16.3%	34.6%	98.2%	8.2x	6.1x	11.4x	6.7x	25.7x	13.5x	1.1x	
Refining													
Valero Energy Corp.	\$18,786.1	\$23.14	18.8%	37.2%	98.5%	4.7x	8.4x	6.9x	5.1x	24.2x	10.5x	2.9x	
Sunoco, Inc.	\$7,066.3	\$40.59	1.1%	56.0%	98.4%	5.6x	7.9x	7.7x	6.5x	26.5x	17.0x	1.8x	
Tesoro Corporation	\$4,122.1	\$18.26	11.9%	34.7%	96.4%	5.0x	17.3x	17.0x	4.4x	NM	12.2x	8.2x	
Holly Corporation	\$3,286.9	\$40.63	13.0%	57.7%	98.2%	7.6x	12.2x	11.7x	7.5x	61.1x	14.3x	2.4x	
Western Refining Inc.	\$1,944.2	\$10.51	7.8%	121.3%	98.7%	4.6x	11.2x	10.0x	5.5x	NM	17.2x	6.9x	
Frontier Oil Corp.	\$1,820.8	\$17.83	14.8%	49.6%	98.0%	6.2x	34.9x	30.0x	5.7x	NM	13.4x	(1.7x)	
CVR Energy, Inc.	\$1,655.5	\$15.07	25.3%	111.4%	98.4%	3.5x	9.7x	9.8x	6.0x	60.8x	17.0x	3.1x	
Alon USA Energy, Inc.	\$1,250.8	\$5.93	7.0%	(15.4%)	73.4%	4.5x	NM	NM	8.1x	NM	NM	(6.8x)	
Delek US Holdings Inc.	\$654.9	\$7.32	2.8%	3.8%	86.8%	14.8x	31.7x	24.0x	6.8x	NM	115.6x	12.2x	
Median			11.9%	49.6%	98.2%	5.0x	11.7x	10.9x	6.0x	NM	15.6x	2.9x	

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	TEV	Stock Performance				TEV / LTM EBITDA Multiple as of			TEV / 2011		P/E Ratio		Net Debt /
		Current Price 12/30/10	Change from Prior Month	Change from Prior Year	% of LTM High	12/30/09	6/30/10	Current	EBITDA	Current	2011	EBITDA 6/30/2010	
Storage & Transportation													
Kinder Morgan Energy Partners LP	\$34,844.4	\$70.43	(0.0%)	15.5%	98.2%	12.9x	13.3x	14.4x	10.7x	56.6x	37.6x	5.2x	
El Paso Corp.	\$25,812.9	\$13.73	1.8%	38.1%	97.5%	6.9x	8.0x	8.2x	8.1x	10.8x	12.8x	4.5x	
Plains All American Pipeline LP	\$14,673.0	\$62.84	2.2%	18.7%	96.4%	12.3x	13.4x	15.1x	12.8x	28.0x	19.9x	5.5x	
Enbridge Energy Partners LP	\$13,731.2	\$62.42	2.6%	16.1%	98.5%	11.6x	10.9x	26.1x	11.9x	NM	19.1x	5.1x	
Magellan Midstream Partners LP	\$8,188.2	\$56.54	1.0%	31.0%	98.5%	16.3x	13.8x	16.4x	14.6x	20.0x	18.9x	3.7x	
Buckeye Partners LP	\$5,176.3	\$67.33	(1.1%)	23.1%	93.9%	12.7x	12.8x	13.9x	10.9x	20.4x	19.0x	4.6x	
Sunoco Logistics Partners L.P.	\$4,214.8	\$83.57	3.6%	24.4%	99.6%	9.0x	12.3x	13.6x	10.4x	9.0x	15.1x	4.9x	
Holly Energy Partners L.P.	\$1,486.9	\$51.20	0.1%	28.5%	95.3%	13.5x	12.4x	13.6x	10.8x	21.2x	20.4x	4.7x	
Median			1.4%	23.7%	97.9%	12.5x	12.6x	14.2x	10.9x	20.4x	19.0x	4.8x	
Power													
Diversified Power													
General Electric Co.	\$615,312.3	\$18.19	14.9%	18.5%	92.3%	38.1x	33.8x	31.6x	21.6x	16.9x	14.0x	23.2x	
Siemens AG	\$114,667.6	\$123.61	11.8%	34.3%	97.9%	7.2x	7.4x	8.3x	7.1x	20.8x	12.5x	0.5x	
Emerson Electric Co.	\$46,899.8	\$57.36	4.2%	32.3%	97.7%	9.1x	8.6x	10.8x	8.7x	22.1x	15.1x	0.8x	
ABB Ltd.	\$45,787.4	\$22.23	13.9%	16.1%	86.5%	8.1x	7.6x	9.8x	8.3x	20.2x	15.7x	(1.2x)	
Schneider Electric S.A.	\$45,081.5	\$150.85	7.0%	30.3%	94.7%	8.5x	8.3x	12.4x	NA	23.5x	NA	1.3x	
Eaton Corporation	\$19,683.2	\$101.16	4.9%	57.9%	98.5%	11.2x	8.8x	11.6x	9.1x	19.9x	14.5x	1.6x	
Cooper Industries plc	\$9,912.9	\$58.54	7.4%	36.6%	98.1%	10.2x	9.6x	11.8x	10.7x	23.0x	15.8x	0.8x	
Areva SA	\$9,710.0	\$49.62	17.5%	(0.6%)	93.5%	NM	NM	NM	NA	NM	NA	161.0x	
Median			9.6%	31.3%	96.2%	9.1x	8.6x	11.6x	8.9x	20.8x	14.8x	1.1x	
Mid-Cap Power													
Ametek Inc.	\$7,260.0	\$39.32	(0.3%)	52.2%	95.1%	10.8x	11.1x	14.4x	11.7x	24.9x	19.3x	2.1x	
Thomas & Betts Corp.	\$2,719.7	\$48.04	8.1%	30.3%	96.3%	7.6x	6.8x	8.6x	7.2x	19.1x	14.8x	0.8x	
Littelfuse Inc.	\$1,003.2	\$47.90	3.5%	48.5%	97.6%	22.5x	7.5x	6.9x	6.6x	15.1x	12.8x	(0.7x)	
Powell Industries, Inc.	\$279.4	\$33.18	(5.7%)	5.1%	88.1%	3.8x	3.0x	4.0x	5.4x	15.5x	16.7x	(1.4x)	
Chapmans Ltd.	\$2.3	\$0.01	(2.7%)	(35.2%)	54.5%	NM	NM	NM	0.0x	NM	0.0x	(2.0x)	
Median			(0.3%)	30.3%	95.1%	9.2x	7.1x	7.8x	6.6x	17.3x	14.8x	(0.7x)	
Independent Power Producers													
NRG Energy, Inc.	\$12,290.7	\$19.55	0.9%	(18.3%)	76.1%	4.0x	4.4x	5.1x	6.3x	9.7x	16.1x	2.7x	
Dynegy Inc.	\$4,822.3	\$5.69	11.8%	(38.2%)	56.1%	7.9x	9.4x	8.9x	9.9x	NM	NM	8.6x	
RRI Energy, Inc.	\$2,518.8	\$3.82	8.5%	(35.4%)	61.5%	NM	10.0x	6.1x	18.1x	NM	NM	4.5x	
Mirrabooka Investments Limited	\$230.1	\$1.81	3.7%	(4.1%)	78.3%	NM	NM	NM	0.0x	22.4x	0.0x	NM	
Median			6.1%	(26.8%)	68.8%	5.9x	9.4x	6.1x	8.1x	16.1x	8.0x	4.5x	

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	Stock Performance								TEV / 2011		P/E Ratio		Net Debt /
	TEV	Current Price	Change from	Change from	% of	TEV / LTM EBITDA Multiple as of			EBITDA	Current	2011	EBITDA	
		12/30/10	Prior Month	Prior Year	LTM High	12/30/09	6/30/10	Current	EBITDA			6/30/2010	
Electric Utilities													
Southern Company	\$52,164.3	\$38.30	1.5%	13.7%	99.2%	9.0x	8.7x	9.2x	9.0x	15.3x	15.2x	3.5x	
NextEra Energy, Inc.	\$41,436.3	\$51.97	2.7%	(3.2%)	92.4%	8.5x	7.9x	7.6x	8.0x	10.5x	11.6x	3.9x	
Duke Energy Corporation	\$40,219.0	\$17.80	1.4%	2.2%	95.7%	8.6x	7.6x	8.1x	7.6x	19.1x	13.2x	3.4x	
Exelon Corp.	\$37,682.4	\$41.48	5.4%	(16.0%)	83.2%	6.2x	5.2x	5.5x	5.9x	10.5x	10.1x	1.5x	
American Electric Power Co., Inc.	\$34,864.9	\$36.05	1.3%	2.2%	95.0%	7.7x	7.3x	7.4x	7.3x	13.6x	11.4x	3.9x	
FirstEnergy Corp.	\$25,391.1	\$37.25	6.1%	(21.6%)	78.0%	9.1x	8.7x	8.4x	7.0x	13.6x	11.6x	4.9x	
Progress Energy Inc.	\$24,898.9	\$43.49	(0.5%)	4.7%	95.4%	7.7x	7.6x	8.4x	8.1x	14.5x	13.8x	4.0x	
Edison International	\$23,752.9	\$38.66	4.7%	9.4%	98.2%	5.7x	5.8x	6.3x	5.9x	9.8x	12.9x	2.8x	
Entergy Corporation	\$23,436.0	\$70.80	(0.6%)	(14.8%)	84.0%	7.9x	6.7x	6.4x	6.7x	10.1x	10.7x	2.9x	
PPL Corporation	\$17,116.6	\$26.24	3.3%	(20.4%)	79.4%	11.0x	9.8x	7.4x	5.3x	13.7x	10.0x	2.2x	
Median			2.1%	(0.5%)	93.7%	8.2x	7.6x	7.5x	7.2x	13.6x	11.6x	3.4x	
Renewables													
						TEV / LTM Revenue Multiple as of			TEV / 2011				
						12/30/09	6/30/10	Current	Revenue				
First Solar, Inc.	\$15,438.0	\$131.09	6.7%	(4.2%)	85.5%	5.5x	4.0x	5.9x	4.1x	17.4x	14.4x	(0.7x)	
Vestas Wind Systems A/S	\$7,347.8	\$31.34	9.7%	(48.5%)	46.3%	1.3x	1.2x	0.9x	NA	20.0x	NA	1.1x	
Suntech Power Holdings Co. Ltd.	\$2,206.4	\$7.84	9.8%	(52.4%)	41.7%	2.5x	1.1x	0.9x	0.7x	NM	6.5x	2.3x	
SunPower Corporation	\$1,558.4	\$13.02	11.8%	(45.5%)	49.4%	1.8x	1.1x	0.9x	0.6x	48.1x	7.2x	1.6x	
GT Solar International, Inc.	\$1,100.9	\$9.01	34.7%	60.3%	90.1%	1.2x	1.0x	1.5x	1.3x	10.2x	8.1x	(1.7x)	
Clean Energy Fuels Corp.	\$1,002.0	\$14.01	4.7%	(10.1%)	59.1%	7.4x	5.5x	5.9x	3.3x	NM	127.4x	44.6x	
Evergreen Solar Inc.	\$453.7	\$0.59	(24.2%)	(61.9%)	31.6%	2.3x	1.5x	1.4x	1.1x	NM	NM	16.6x	
Rentech, Inc.	\$326.3	\$1.21	(2.4%)	(9.0%)	81.8%	1.7x	2.1x	2.5x	1.7x	NM	NM	(7.1x)	
Energy Conversion Devices, Inc.	\$304.6	\$4.55	1.3%	(56.9%)	35.7%	2.0x	1.2x	1.1x	0.8x	NM	NM	(2.3x)	
FuelCell Energy Inc.	\$288.6	\$2.24	98.2%	(33.7%)	55.7%	3.4x	2.4x	4.1x	1.4x	NM	NM	0.8x	
Ballard Power Systems Inc.	\$69.9	\$1.54	17.8%	(20.1%)	47.1%	2.4x	1.2x	1.2x	0.8x	NM	NM	1.7x	
Median			9.7%	(33.7%)	49.4%	2.3x	1.2x	1.4x	1.2x	18.7x	8.1x	1.1x	
Cleantech													
Itron, Inc.	\$2,783.3	\$55.87	(1.6%)	(18.7%)	68.2%	2.1x	1.6x	1.3x	1.2x	25.9x	12.9x	2.0x	
ESCO Technologies Inc.	\$1,158.6	\$38.83	10.7%	5.6%	99.3%	1.8x	1.5x	1.9x	1.6x	23.2x	16.3x	1.5x	
Ameresco, Inc.	\$753.5	\$14.39	11.1%	NA	96.7%	0.0x	0.0x	1.3x	1.1x	17.1x	18.0x	3.4x	
EnerNOC, Inc.	\$469.2	\$24.49	(0.2%)	(20.6%)	66.2%	3.3x	2.9x	1.7x	1.4x	38.5x	33.4x	(12.7x)	
Echelon Corporation	\$378.4	\$10.24	7.5%	(13.1%)	84.7%	4.3x	2.3x	3.4x	2.7x	NM	NM	2.3x	
Comverge, Inc.	\$159.0	\$7.13	7.5%	(38.0%)	53.8%	3.0x	1.9x	1.3x	1.1x	NM	NM	3.9x	
PowerSecure International, Inc.	\$141.5	\$7.60	(11.8%)	2.7%	64.4%	1.2x	1.3x	1.2x	1.0x	30.1x	14.4x	(0.3x)	
Median			7.5%	(15.9%)	68.2%	2.1x	1.6x	1.3x	1.2x	25.9x	16.3x	2.0x	

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	TEV	Stock Performance				TEV / LTM EBITDA Multiple as of			TEV / 2011		P/E Ratio		Net Debt /
		Current Price 12/30/10	Change from Prior Month	Change from Prior Year	% of LTM High	12/30/09	6/30/10	Current	EBITDA	Current	2011	EBITDA 6/30/2010	
Industrial & Infrastructure Services													
Engineering & Construction													
Fluor Corporation	\$9,813.2	\$66.16	14.4%	46.2%	98.3%	4.9x	4.8x	10.3x	8.6x	30.8x	20.0x	(1.7x)	
Jacobs Engineering Group Inc.	\$4,947.3	\$45.98	19.4%	21.3%	90.7%	5.2x	6.4x	9.0x	7.5x	23.5x	15.7x	(1.4x)	
McDermott International Inc.	\$4,268.8	\$20.54	12.1%	(15.7%)	70.9%	11.7x	5.9x	5.8x	8.9x	10.8x	15.9x	(0.8x)	
URS Corporation	\$3,796.8	\$41.89	5.9%	(7.0%)	78.7%	7.5x	6.9x	6.2x	5.2x	13.1x	11.3x	0.5x	
KBR, Inc.	\$3,554.9	\$30.51	12.7%	56.6%	97.1%	3.8x	4.4x	6.3x	5.7x	15.2x	15.1x	(1.9x)	
Dresser-Rand Group Inc.	\$3,514.9	\$43.18	13.8%	34.3%	98.9%	6.3x	7.5x	10.6x	9.8x	26.0x	20.0x	0.1x	
Chicago Bridge & Iron Company N.V.	\$3,040.2	\$32.79	15.8%	61.3%	97.9%	4.9x	5.1x	8.8x	6.9x	18.0x	14.1x	(0.7x)	
Shaw Group Inc.	\$2,106.1	\$34.49	7.6%	18.1%	85.2%	5.4x	5.9x	5.9x	4.6x	31.9x	12.8x	(2.5x)	
ENGlobal Corp.	\$113.6	\$3.79	27.2%	19.2%	98.7%	6.1x	NM	NM	6.8x	NM	13.1x	(2.5x)	
Median			13.8%	21.3%	97.1%	5.4x	5.9x	7.5x	6.9x	20.8x	15.1x	(1.4x)	
Industrial & Infrastructure Services													
EMCOR Group Inc.	\$1,468.2	\$29.33	9.4%	6.6%	98.0%	3.9x	3.9x	5.5x	5.2x	NM	14.1x	(1.8x)	
Cape plc	\$889.9	\$6.24	11.9%	72.3%	97.5%	4.9x	3.8x	6.4x	NA	NM	NA	1.1x	
Team Inc.	\$487.9	\$24.55	20.6%	29.4%	98.6%	10.4x	7.2x	11.2x	8.0x	32.0x	17.9x	0.5x	
Pike Electric Corporation	\$403.2	\$8.87	24.4%	(7.0%)	80.3%	6.6x	12.8x	12.6x	7.0x	NM	30.9x	3.3x	
Matrix Service Co.	\$287.3	\$12.49	25.8%	16.9%	99.6%	7.5x	6.9x	10.4x	5.0x	95.7x	12.2x	NM	
Furmanite Corporation	\$241.8	\$6.84	3.2%	77.7%	91.8%	9.7x	10.2x	13.9x	8.0x	167.5x	15.5x	(0.7x)	
Median			16.2%	23.2%	97.8%	7.1x	7.1x	10.8x	7.0x	95.7x	15.5x	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. Baker Hughes.

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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