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Energy & Power Industry Update
August 2011

Member FINRA/SIPC



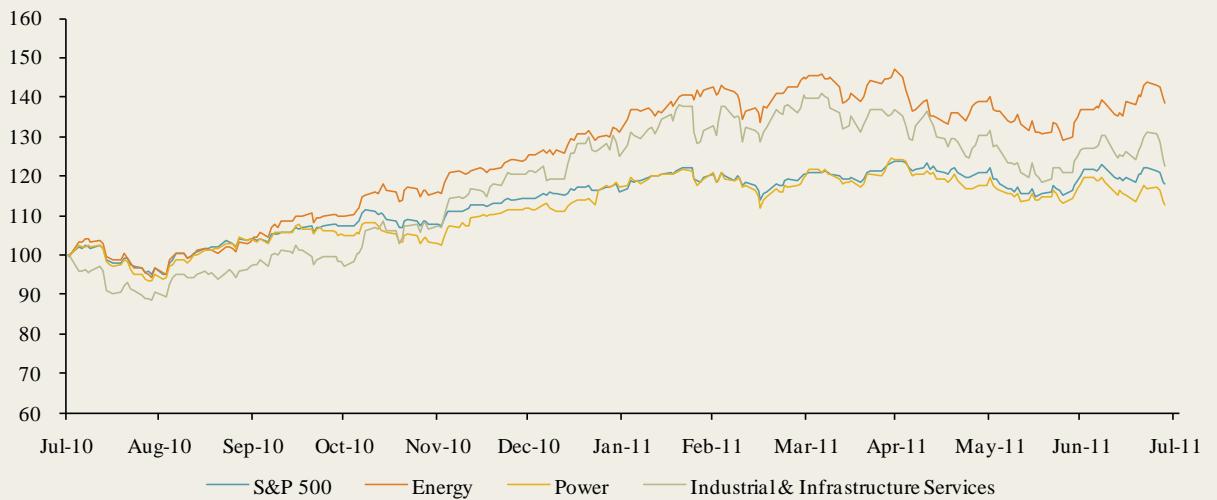
What We've Been Reading

- *The New York Times* ended last month with, in our view, a less than fair look at U.S. natural gas in “[Insiders Sound Alarm Amid a Natural Gas Rush](#).” The article lobs a range of accusations towards the industry, largely from anonymous sources, that broadly argue, and we’re paraphrasing here, “the U.S. natural gas industry is a giant scam.” In so doing, the authors invoke specious links to a host of speculative bubble buzz-words, including “dot-coms,” “Enron,” and everybody’s favorite, “a giant Ponzi scheme.” If you read the article closely enough, there are some fair issues raised, though those are strongly outweighed by its misleading tone and the seemingly purposeful omission of details. For example, the article paints “uneconomic” wells at current price levels as both a “surprise” and some type of broader industry conspiracy. At the same time, it makes no mention of the collapse in natural gas prices, driven not only by a severe economic downturn, but also the massive increase in supply and production brought on by the extraction of shale gas resources. It also fails to make analogies that may have been helpful to the reader – namely, paying \$30,000 plus per acre in the Haynesville in 2008 wasn’t all that different than buying a condo in Vegas in 2006 –it’s still right off the Strip, but by 2009, certainly “uneconomic.” The article also relies heavily on the commentary of Deborah Rogers and notes Ms. Rogers as a “member of the advisory committee of the Federal Reserve Bank of Dallas” and “former stockbroker,” but not as Dan Pickering noted in *Houston Business Journal* (subscription required), “founder of Deborah’s Farmstead, a small, family dairy that produces goat cheese.” (See the 2008 Fed press release on her appointment [here](#).) While we don’t doubt that Ms. Rogers worked earnestly to research shale gas economics, until proven otherwise, we’ll defer to the analysis of more experienced hands such as ExxonMobil, whose nearly \$40 billion acquisition of XTO seems to signal a different thesis for shale gas than that offered up by Ms. Rogers and the *Times* (unsurprisingly, Exxon’s acquisition of XTO, and string of others by major integrated oil companies, wasn’t mentioned in the article).
- Still reeling from post-Fukushima ramifications for the broader nuclear industry, U.S. nuclear power received further criticism from *The Associated Press* this past month in “[NRC and Industry Rewrite Nuke History](#),” an investigative report into nuclear plant life-extensions. The article explores the actual useful life of nuclear plants, originally suggested to be 40 years, but now argued by some to have no technical limit. The AP concludes, “Reactors were made to last only 40 years. Period.” With 66 of 104 reactors now granted license renewals and the difficulty of developing new nuclear capacity to replace any future retirements, the nuclear question is a big one that needs solving. At the very least, initial signs amid recent industry developments point to increased service intensity for existing plants, which should serve as a boon for nuclear service companies.
- The Breakthrough Institute warns of “[The Coming Clean Tech Crash](#)” as governments are forced to make cutbacks to “unsustainable” subsidies. Leveraging “[The Crisis in Clean Energy](#),” an essay in *Foreign Policy* (subscription required), the article argues that energy policies must be realigned to incentivize investments in innovative clean energy technologies rather than encouraging the increased production of uncompetitive (with fossil fuels) existing technologies that current subsidies support. The venture community may be ahead of the curve here. *GigaOm* recently reported that cleantech venture investments declined by more than 33% in the second quarter of 2011 versus the year-earlier period, though energy efficiency continued to exhibit strength.

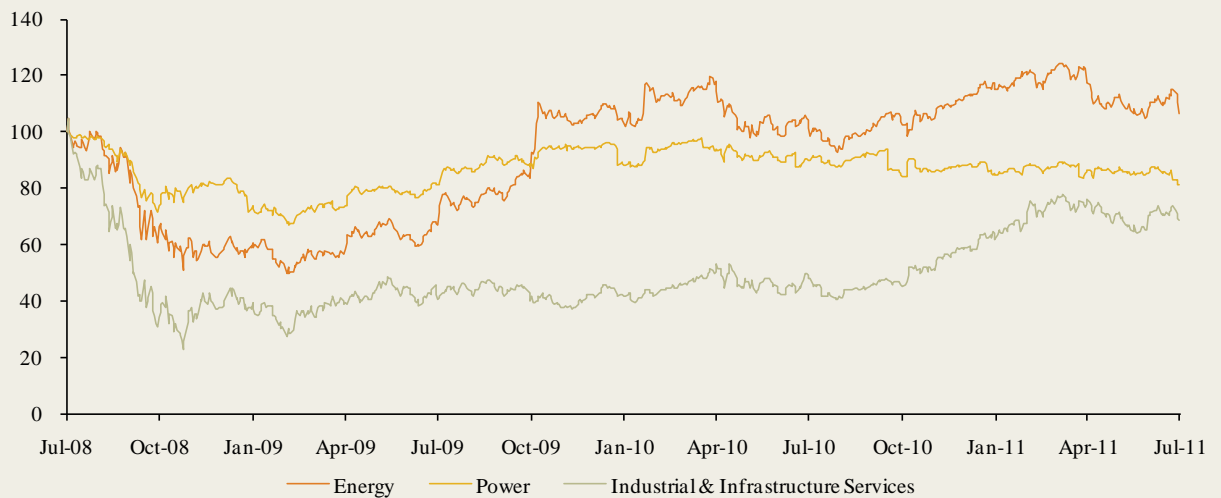
Industry Observations

- All three Energy & Power indices have experienced recent downturns amid increased macroeconomic uncertainty.
- The North American rotary rig count remains above 2,000 rigs.
- Fossil fuels have continued their upward pricing trend, all rising over late June levels:
 - Gasoline and ethanol trade at \$3.08 and \$2.81 per gallon, respectively.
 - Oil currently trades at \$99.20 per barrel.
 - Central Appalachian Coal prices remain high at \$77.25 per ton.

LTM Indexed Stock Performance¹



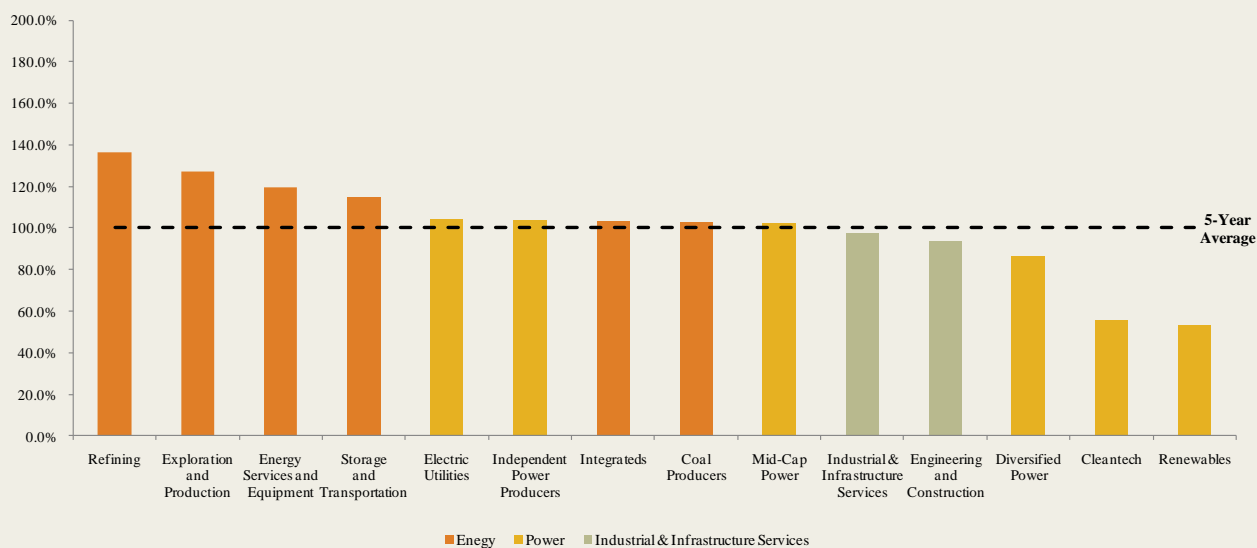
Indexed LTM EBITDA Multiples¹



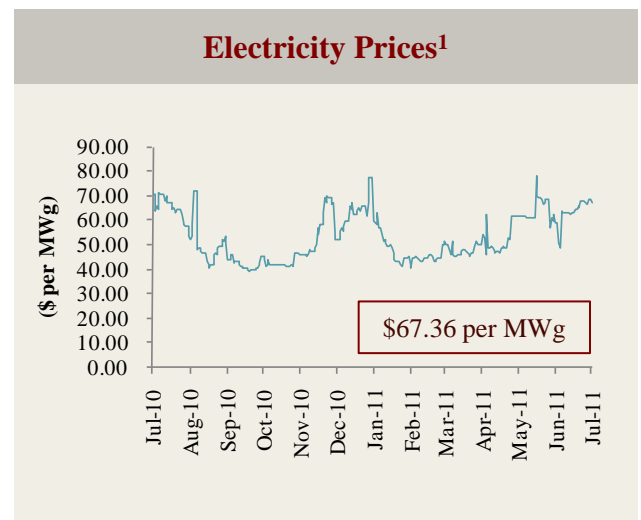
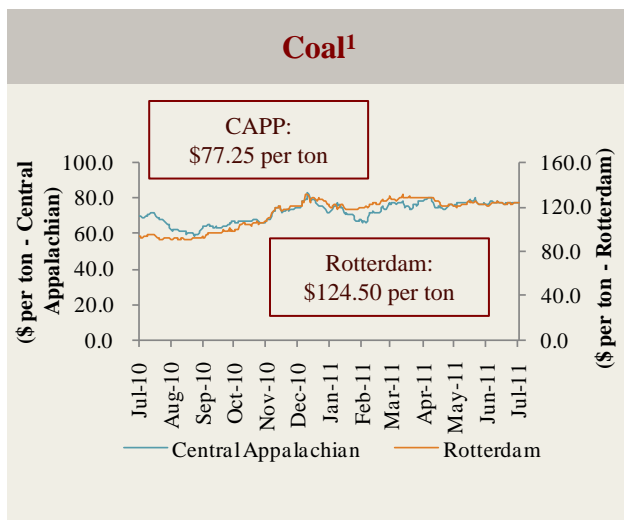
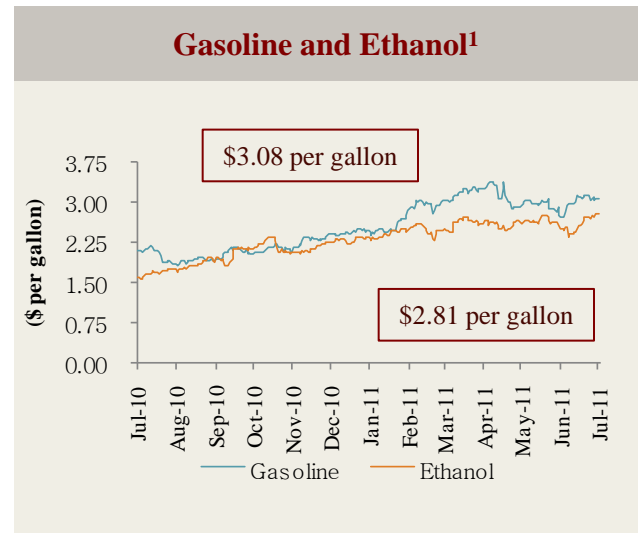
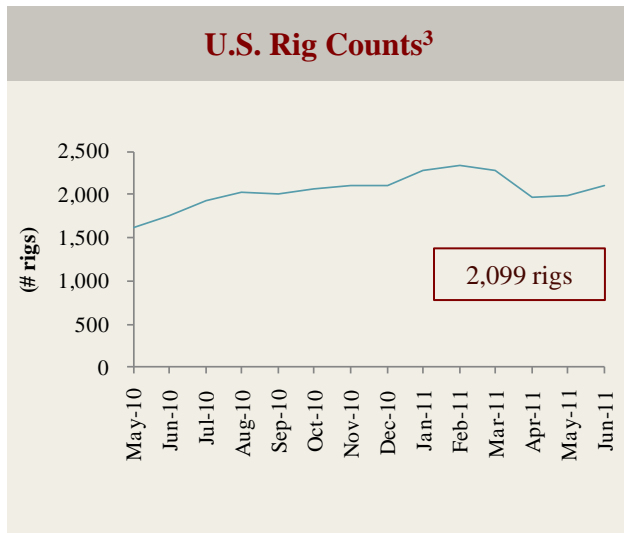
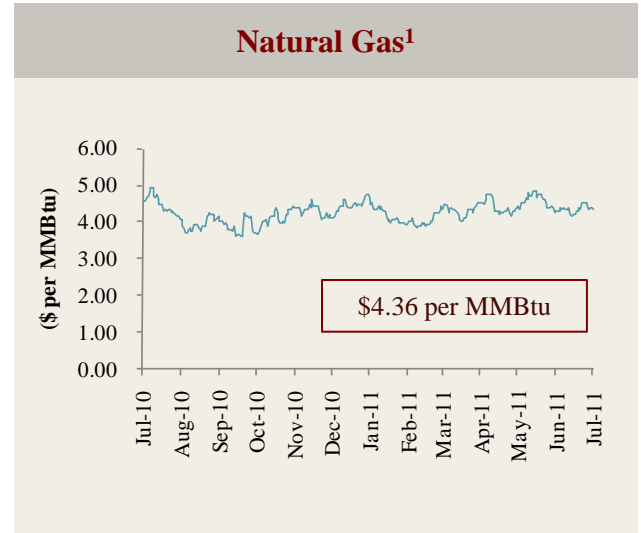
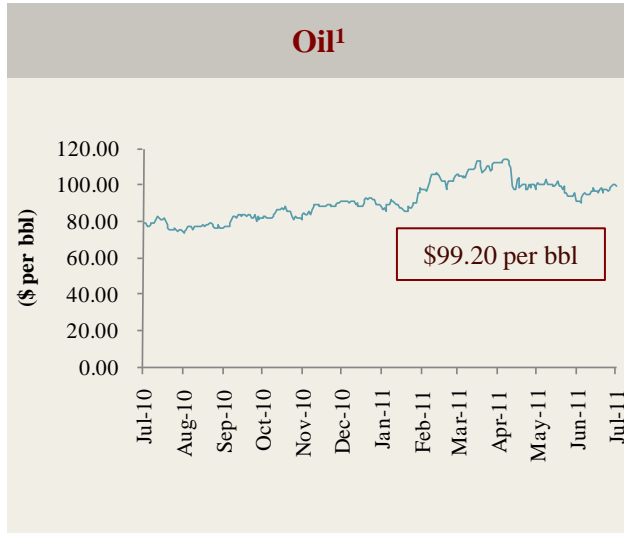
Key Trading Statistics¹

Industry Segment	Stock Price % Change		TEV / LTM EBITDA Multiple as of			TEV / 2011 EBITDA	P/E Ratio		
	1 Month	12 Month	7/28/10	1/28/10	Current		Current	2009	
Energy									
Integrates	(0.9%)	33.7%	4.9x	5.8x	5.0x	3.6x	9.5x	8.6x	
Energy Services and Equipment	9.4%	70.7%	9.1x	9.0x	10.0x	6.4x	22.7x	12.7x	
Exploration and Production	7.2%	43.6%	6.8x	8.6x	9.5x	6.1x	34.1x	16.7x	
Coal Producers	(2.1%)	22.9%	6.7x	9.0x	9.1x	3.8x	17.4x	9.0x	
Refining	8.9%	84.3%	9.1x	8.6x	7.8x	4.4x	NM	9.4x	
Storage & Transportation	(0.7%)	8.0%	13.2x	12.4x	14.2x	10.2x	25.2x	17.1x	
Power									
Diversified Power	(5.3%)	18.4%	9.7x	9.0x	9.4x	7.7x	15.3x	11.6x	
Mid-Cap Power	(1.8%)	36.5%	8.3x	7.6x	7.8x	6.3x	19.6x	13.9x	
Independent Power Producers	3.5%	34.5%	7.0x	7.6x	17.5x	9.5x	31.9x	20.8x	
Electric Utilities	(0.2%)	7.6%	8.1x	8.2x	8.7x	8.2x	12.9x	13.5x	
			TEV /						
			LTM Revenue			2011 Revenue			
Renewables	(4.9%)	(14.1%)	1.5x	2.0x	1.3x	1.2x	14.8x	10.8x	
Cleantech	(3.2%)	(27.8%)	1.8x	1.9x	1.2x	1.0x	16.6x	14.8x	
Industrial & Infrastructure Services									
Engineering & Construction	(2.2%)	19.4%	7.1x	6.5x	9.9x	6.5x	19.0x	13.3x	
Industrial & Infrastructure Services	4.4%	73.7%	7.7x	9.8x	9.9x	7.4x	21.7x	14.2x	

Current Valuations Versus Historical 5-Year Average¹



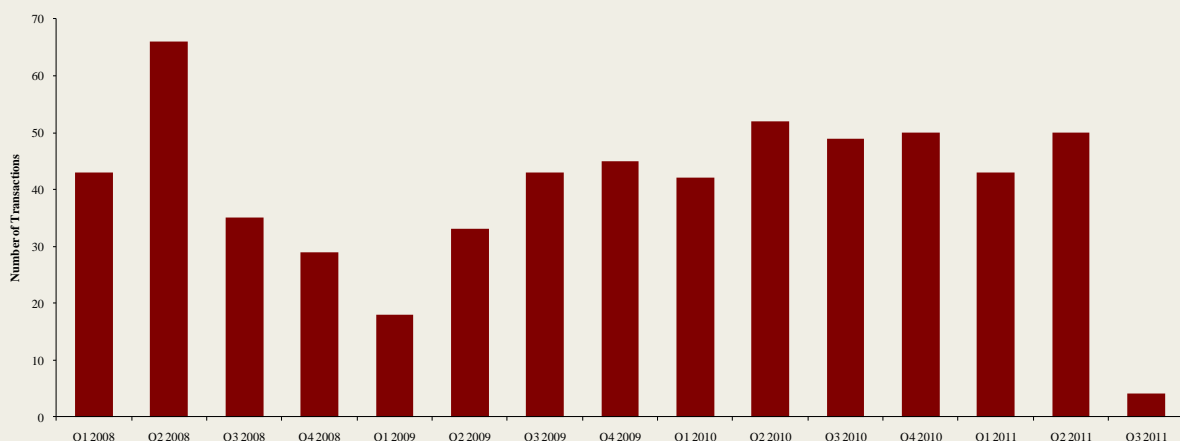
Note: Based upon current EV / LTM EBITDA versus 5-year historical average. For Cleantech and Renewables, valuation is based upon EV / LTM Sales.



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

Date	Target	Business Description	Acquirer
07/26/2011	Seismic Micro-Technology, Inc.	US based developer of geophysical and geological interpretation software for the oil and gas industry	IHS Inc.
07/18/2011	Hydra Mining Tools International Limited	UK based manufacturer of equipment for mining, construction, and civil engineering industries	ESCO Corporation
07/15/2011	Uintah Engineering & Land Surveying, Inc.	US based provider of land surveying and civil engineering services for oil and gas companies	Moelis Capital Partners
07/14/2011	Applied Energy Group, Inc.	US based provider of consulting, technology, and outsourcing services to energy companies	Ameresco, Inc
07/14/2011	Summit Oilfield Services, LLC and Edge Oilfield Services, LLC	US based provider of frac stack rental units and related oilfield products and services	Key Energy Services, Inc.
07/09/2011	Fas-Line Sales and Rentals	US based provider of products and services to the oil and gas industry	Rockwater Energy Solutions, Inc.
07/09/2011	Triton Oilfield Services LLC	US based provider of oil field services	Rockwater Energy Solutions, Inc.
07/06/2011	Ameron International Corporation	US based manufacturer of products for the energy, chemicals, and industrial markets	National Oilwell Varco Inc
07/05/2011	Cannon Services Ltd.	US based manufacturer of protection systems for downhole completion control lines and cables	Forum Energy Technologies, Inc.
07/05/2011	CRTS, Inc.	US based provider of pipeline field joint coatings and coating inspection services	Insituform Technologies
07/05/2011	Hockway Ltd.	UK based manufacturer of cathodic protection equipment and site survey services	Insituform Technologies
07/01/2011	Energy Response Pty Ltd.	Australia based provider of demand side response (DSR) programs	EnerNOC, Inc.
07/01/2011	Philadelphia Gear Corporation	US based manufacturer of power transmission equipment and gears	Timken Industrial Services, LLC
06/26/2011	Servidyne, Inc.	US based provider of energy efficiency and demand response solutions	Scientific Conservation Inc.

Quarterly United States E&P M&A Activity¹



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	TEV	Stock Performance				TEV / LTMEBITDA Multiple as of			TEV / 2011	P/E Ratio		Net Debt /
		Current Price 7/28/11	Change from Prior Month	Change from Prior Year	% of LTM High	7/28/10	1/28/10	Current	EBITDA	Current	2011	EBITDA 1/28/2010
Energy												
Integrates												
Exxon Mobil Corporation	\$410,373.0	\$81.46	2.3%	33.7%	92.3%	6.5x	7.8x	5.9x	4.3x	10.7x	9.0x	0.1x
Chevron Corporation	\$206,586.6	\$105.03	4.7%	39.0%	95.5%	4.3x	5.7x	5.0x	3.5x	10.2x	8.0x	(0.2x)
ConocoPhillips	\$123,043.9	\$72.77	(0.7%)	33.7%	89.0%	5.2x	5.9x	5.1x	3.8x	8.8x	8.2x	1.1x
Occidental Petroleum Corporation	\$83,732.3	\$99.75	(1.2%)	26.5%	84.6%	6.6x	8.3x	6.7x	5.0x	14.5x	10.5x	0.3x
Marathon Oil Corporation	\$24,539.8	\$31.09	(39.5%)	(6.3%)	57.2%	4.6x	5.0x	2.7x	2.9x	7.1x	7.7x	0.4x
Hess Corporation	\$27,282.2	\$70.45	(1.4%)	34.3%	80.6%	3.4x	4.9x	3.6x	3.4x	8.7x	9.0x	0.8x
Median			(0.9%)	33.7%	86.8%	4.9x	5.8x	5.0x	3.6x	9.5x	8.6x	0.4x
Energy Services and Equipment												
<u>Large Cap Diversified</u>												
Schlumberger Limited	\$127,961.1	\$91.40	8.4%	53.0%	95.6%	11.0x	11.9x	14.9x	9.5x	25.3x	16.8x	0.7x
Halliburton Company	\$52,411.5	\$54.87	12.7%	83.0%	95.0%	9.2x	9.6x	10.5x	6.6x	21.3x	12.4x	0.7x
Baker Hughes Incorporated	\$36,646.4	\$78.17	10.5%	59.9%	96.5%	12.6x	9.4x	10.3x	6.3x	31.3x	13.4x	1.7x
National Oilwell Varco, Inc.	\$31,575.4	\$81.25	9.0%	117.7%	93.7%	4.8x	5.1x	10.2x	7.7x	19.7x	14.5x	(1.0x)
Weatherford International Ltd.	\$23,524.3	\$21.99	20.3%	39.3%	78.2%	12.6x	11.6x	11.5x	6.6x	NM	13.2x	4.4x
Median			10.5%	59.9%	95.0%	11.0x	9.6x	10.5x	6.6x	23.3x	13.4x	0.7x
<u>Mid and Small Cap Equipment and Service Providers</u>												
Cameron International Corporation	\$13,444.3	\$55.23	16.1%	42.0%	87.4%	9.4x	9.4x	12.8x	9.4x	24.1x	15.9x	(0.1x)
Oil States International Inc.	\$5,040.8	\$81.43	7.9%	86.0%	94.7%	6.8x	6.0x	11.5x	6.9x	22.9x	13.1x	2.6x
RPC Inc.	\$3,751.5	\$24.17	2.8%	100.7%	83.2%	10.2x	13.7x	7.1x	4.6x	14.8x	9.3x	1.7x
Complete Production Services, Inc.	\$3,545.7	\$38.85	25.1%	107.8%	91.2%	10.1x	10.3x	6.9x	4.4x	18.6x	9.7x	3.2x
Key Energy Services Inc.	\$3,347.4	\$19.21	13.4%	105.7%	92.7%	16.2x	13.5x	13.7x	5.9x	NM	13.2x	4.3x
Exterran Holdings, Inc.	\$3,111.7	\$18.00	(8.0%)	(30.7%)	63.8%	7.6x	6.7x	7.5x	6.0x	NM	NM	3.0x
Dril-Quip, Inc.	\$2,552.3	\$70.41	5.2%	35.8%	84.0%	10.5x	12.1x	15.4x	11.2x	28.7x	18.8x	(1.6x)
Basic Energy Services, Inc.	\$1,957.3	\$32.72	9.7%	239.1%	86.6%	14.9x	24.1x	9.3x	4.5x	NM	11.6x	17.3x
Median			8.8%	93.4%	87.0%	10.2x	11.2x	10.4x	6.0x	22.9x	13.1x	2.8x

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	TEV	Stock Performance				TEV / LTMEBITDA Multiple as of			TEV / 2011	P/E Ratio		Net Debt /
		Current Price 7/28/11	Change from Prior Month	Change from Prior Year	% of LTM High	7/28/10	1/28/10	Current	EBITDA	Current	2011	EBITDA 1/28/2010
Construction and Equipment Contractors												
Transocean Ltd.	\$27,179.5	\$61.61	(0.2%)	31.7%	71.7%	4.8x	6.3x	7.7x	6.0x	46.7x	9.8x	1.2x
Noble Corp.	\$13,159.2	\$36.76	(5.0%)	14.5%	78.7%	3.6x	4.6x	14.9x	6.5x	31.9x	9.4x	1.4x
Nabors Industries Ltd.	\$11,393.2	\$26.86	12.3%	49.4%	82.7%	6.7x	7.6x	7.1x	4.9x	46.1x	10.7x	2.9x
Technip	\$10,025.3	\$107.98	8.8%	58.9%	97.4%	5.7x	4.7x	8.7x	NA	18.8x	NA	(1.4x)
Diamond Offshore Drilling Inc.	\$9,944.2	\$67.82	(0.4%)	10.8%	83.5%	4.5x	6.1x	5.9x	7.0x	9.8x	13.3x	0.2x
Subsea 7 SA	\$9,297.5	\$26.64	12.3%	66.0%	92.2%	6.1x	5.8x	18.4x	NA	20.0x	NA	(0.1x)
Helmerich & Payne Inc.	\$7,785.5	\$71.76	13.9%	76.7%	97.8%	7.1x	6.8x	9.1x	6.6x	22.1x	15.6x	0.2x
Rowan Companies Inc.	\$5,971.5	\$39.13	4.2%	55.6%	87.3%	5.5x	4.0x	11.4x	7.2x	19.2x	10.5x	1.5x
Patterson-UTI Energy Inc.	\$5,423.7	\$32.83	12.1%	106.3%	96.3%	7.8x	9.7x	7.1x	4.6x	21.6x	11.9x	1.5x
Oceaneering International, Inc.	\$4,632.2	\$44.07	13.5%	86.8%	95.4%	5.6x	7.5x	10.2x	8.5x	23.3x	18.5x	(0.4x)
Hercules Offshore, Inc.	\$1,395.6	\$4.70	(10.0%)	85.8%	67.2%	10.4x	9.4x	7.8x	8.8x	NM	NM	5.8x
Pioneer Drilling Co.	\$1,274.8	\$16.56	15.7%	155.6%	92.0%	10.1x	9.0x	9.7x	5.4x	NM	20.0x	3.6x
Cal Dive International Inc	\$686.0	\$5.56	2.0%	(11.3%)	67.9%	10.1x	4.8x	10.2x	4.6x	NM	11.6x	0.8x
Median			8.8%	58.9%	87.3%	6.1x	6.3x	9.1x	6.5x	21.8x	11.8x	1.2x
Exploration and Production												
Large Cap												
Apache Corp.	\$56,820.0	\$124.63	4.0%	32.1%	92.9%	4.9x	6.5x	5.8x	4.3x	13.5x	9.4x	1.3x
Anadarko Petroleum Corporation	\$52,269.0	\$83.51	11.7%	71.1%	97.7%	5.5x	15.3x	8.4x	5.3x	49.6x	18.8x	3.6x
Devon Energy Corporation	\$37,571.3	\$79.97	2.6%	27.6%	85.5%	5.7x	8.5x	7.6x	5.1x	21.1x	10.2x	0.9x
Chesapeake Energy Corporation	\$33,424.7	\$33.43	17.3%	58.3%	93.0%	4.3x	1.9x	10.8x	5.6x	21.9x	10.7x	0.7x
EOG Resources, Inc.	\$31,377.7	\$103.43	1.0%	2.9%	85.2%	12.8x	12.7x	13.1x	5.2x	148.5x	17.5x	1.8x
Noble Energy, Inc.	\$18,746.7	\$99.01	11.6%	46.5%	98.6%	7.0x	12.2x	8.8x	5.8x	29.2x	14.4x	1.1x
Southwestern Energy Co.	\$17,701.6	\$47.47	14.1%	28.2%	96.4%	9.3x	7.1x	10.5x	8.1x	27.0x	20.3x	0.5x
Pioneer Natural Resources Co.	\$13,014.6	\$93.20	7.0%	57.1%	87.9%	7.0x	12.8x	13.9x	6.2x	70.8x	18.5x	3.2x
Murphy Oil Corporation	\$12,186.0	\$63.89	1.1%	16.4%	81.7%	3.5x	4.6x	4.0x	3.0x	13.0x	8.2x	(0.1x)
Newfield Exploration Co.	\$11,816.9	\$68.04	2.1%	27.4%	87.3%	6.1x	3.4x	8.4x	5.2x	23.7x	11.0x	1.1x
Ultra Petroleum Corp.	\$8,812.8	\$47.00	4.2%	8.9%	91.8%	9.5x	13.5x	10.5x	7.9x	22.0x	16.1x	2.8x
Quicksilver Resources Inc.	\$4,454.2	\$14.19	(2.4%)	12.3%	88.8%	8.0x	8.6x	8.2x	8.0x	7.1x	40.3x	3.5x
Median			4.1%	27.9%	90.3%	6.5x	8.5x	8.6x	5.4x	22.8x	15.3x	1.2x

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Mid and Small Cap												
Petrohawk Energy Corporation	\$14,609.9	\$38.26	56.7%	138.2%	99.7%	9.4x	13.4x	20.4x	7.4x	145.4x	23.2x	4.3x
Plains Exploration & Production Company	\$9,026.9	\$39.57	10.7%	76.3%	94.3%	6.1x	11.8x	10.3x	5.9x	48.7x	14.8x	5.7x
Cabot Oil & Gas Corporation	\$9,016.7	\$75.83	15.3%	152.7%	96.1%	7.6x	8.7x	16.9x	8.8x	66.4x	32.0x	2.0x
SandRidge Energy, Inc.	\$7,946.1	\$11.60	9.6%	95.9%	87.0%	12.1x	11.1x	NM	7.6x	NM	23.7x	8.9x
Forest Oil Corp.	\$4,617.3	\$25.71	0.4%	(12.0%)	63.9%	7.2x	2.4x	8.0x	6.1x	25.4x	13.9x	0.8x
Swift Energy Co.	\$2,090.3	\$38.62	9.8%	42.2%	80.1%	5.4x	6.6x	7.0x	4.6x	29.8x	18.1x	2.1x
PetroQuest Energy Inc.	\$605.3	\$8.08	19.7%	17.1%	82.9%	3.1x	1.7x	5.2x	4.0x	41.9x	12.2x	0.3x
Delta Petroleum Corp.	\$498.6	\$4.21	(14.1%)	(47.3%)	31.7%	NM	NM	39.7x	23.7x	NM	NM	(6.0x)
Median			10.3%	59.3%	84.9%	7.2x	8.7x	10.3x	6.8x	45.3x	18.1x	2.0x
Coal Producers												
Peabody Energy Corp.	\$16,813.9	\$57.45	(0.8%)	28.2%	77.7%	9.5x	10.7x	8.8x	5.5x	17.4x	9.6x	1.0x
CONSOL Energy Inc.	\$15,625.0	\$53.47	11.5%	38.5%	94.9%	7.1x	8.3x	10.1x	6.6x	27.1x	12.1x	2.9x
Alpha Natural Resources, Inc.	\$9,712.1	\$43.12	(3.3%)	14.4%	63.4%	6.3x	11.2x	12.3x	3.6x	39.5x	7.5x	(0.1x)
Arch Coal Inc.	\$6,983.3	\$25.77	(0.2%)	17.6%	69.7%	9.6x	11.0x	9.4x	3.8x	19.5x	6.6x	3.4x
Alliance Resource Partners LP	\$2,888.0	\$75.94	0.4%	52.5%	90.3%	4.9x	4.9x	5.3x	4.6x	10.4x	9.0x	1.1x
Patriot Coal Corporation	\$1,937.9	\$19.10	(13.5%)	60.9%	65.4%	6.0x	4.6x	24.8x	3.7x	NM	9.0x	0.5x
James River Coal Co.	\$824.5	\$18.97	(7.1%)	9.2%	70.1%	4.1x	4.3x	6.5x	3.2x	11.1x	7.7x	1.2x
Farmaco1 SA	\$259.7	\$9.86	(10.0%)	(27.8%)	57.6%	10.0x	9.7x	7.3x	NA	9.4x	NA	0.8x
Median			(2.1%)	22.9%	69.9%	6.7x	9.0x	9.1x	3.8x	17.4x	9.0x	1.0x
Refining												
Valero Energy Corp.	\$17,861.0	\$24.84	1.0%	45.9%	79.8%	7.4x	8.6x	4.5x	3.2x	12.9x	6.2x	2.0x
Sunoco, Inc.	\$6,671.1	\$40.75	1.3%	20.3%	86.7%	8.1x	10.9x	6.3x	6.5x	25.1x	16.1x	1.8x
Tesoro Corporation	\$4,659.2	\$24.04	9.2%	90.8%	83.6%	18.0x	9.8x	5.6x	3.7x	14.7x	7.9x	3.8x
Western Refining Inc.	\$2,868.3	\$20.11	17.7%	302.2%	92.5%	11.0x	6.7x	7.8x	4.4x	69.5x	7.7x	4.9x
Hochschild Mining PLC	\$2,633.8	\$8.04	13.6%	71.6%	71.5%	6.4x	7.0x	7.1x	NA	16.6x	NA	(0.9x)
CVR Energy, Inc.	\$2,425.2	\$25.96	8.9%	226.1%	92.7%	10.0x	4.9x	8.8x	4.3x	32.8x	9.4x	0.0x
Alon USA Energy, Inc.	\$1,545.5	\$12.09	8.9%	84.3%	77.6%	NM	NM	16.1x	4.5x	NM	9.6x	46.3x
Delek US Holdings Inc.	\$1,111.0	\$16.34	11.0%	126.9%	93.4%	31.5x	NM	10.6x	4.8x	NM	11.1x	(16.2x)
Fortune Oil plc	\$388.9	\$0.19	(3.2%)	77.8%	77.1%	8.0x	8.7x	11.4x	NA	16.5x	NA	(1.3x)
Median			8.9%	84.3%	83.6%	9.1x	8.6x	7.8x	4.4x	NM	9.4x	1.8x

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	TEV	Stock Performance				TEV / LTMEBITDA Multiple as of			TEV / 2011	P/E Ratio		Net Debt /
		Current Price 7/28/11	Change from Prior Month	Change from Prior Year	% of LTM High	7/28/10	1/28/10	Current	EBITDA	Current	2011	EBITDA 1/28/2010
Storage & Transportation												
Kinder Morgan Energy Partners LP	\$34,935.4	\$70.43	(1.5%)	4.9%	90.3%	13.8x	12.5x	14.1x	9.4x	122.2x	29.6x	4.9x
El Paso Corp.	\$32,936.3	\$20.71	4.1%	64.9%	96.1%	8.2x	4.3x	13.0x	10.0x	36.8x	15.7x	2.7x
Plains All American Pipeline, L.P.	\$15,655.0	\$63.25	0.0%	3.1%	95.9%	13.8x	12.3x	14.4x	11.2x	25.2x	17.3x	5.5x
Enbridge Energy Partners LP	\$13,430.6	\$28.98	(2.8%)	2.0%	83.8%	11.6x	12.0x	28.5x	10.3x	NM	18.1x	5.8x
Magellan Midstream Partners LP	\$8,506.4	\$58.25	(2.3%)	19.2%	92.3%	14.8x	15.8x	15.6x	13.2x	19.1x	16.4x	4.9x
Buckeye Partners LP	\$8,414.1	\$62.67	(2.4%)	0.2%	87.4%	13.5x	12.7x	22.6x	13.9x	26.9x	17.0x	7.3x
Sunoco Logistics Partners L.P.	\$4,214.2	\$85.40	0.2%	11.1%	93.8%	12.9x	9.8x	10.2x	8.8x	8.3x	13.4x	4.1x
Holly Energy Partners L.P.	\$1,557.3	\$53.80	1.0%	15.5%	88.1%	13.0x	12.7x	11.8x	9.8x	21.6x	19.5x	5.4x
Median			(0.7%)	8.0%	91.3%	13.2x	12.4x	14.2x	10.2x	25.2x	17.1x	5.2x
Power												
Diversified Power												
General Electric Co.	\$529,964.6	\$18.11	(1.8%)	12.8%	83.6%	22.5x	23.9x	19.0x	16.5x	14.0x	10.9x	14.2x
Siemens AG	\$117,957.9	\$129.63	(0.8%)	30.8%	91.2%	8.1x	6.9x	7.8x	6.7x	14.8x	11.4x	0.3x
ABB Ltd.	\$54,441.6	\$24.10	(3.5%)	19.7%	80.8%	9.0x	7.7x	10.2x	7.8x	17.4x	13.3x	(0.3x)
Schneider Electric S.A.	\$43,806.6	\$146.98	(7.2%)	29.4%	83.1%	9.6x	9.1x	9.4x	NA	15.7x	NA	1.0x
Emerson Electric Co.	\$40,988.9	\$49.62	(9.4%)	(1.6%)	79.7%	9.9x	8.9x	8.7x	7.6x	17.3x	12.8x	0.9x
Eaton Corporation	\$19,303.4	\$48.02	(2.9%)	24.6%	85.0%	9.8x	10.2x	9.5x	7.0x	14.1x	10.1x	2.3x
Alstom SA	\$18,421.9	\$53.61	(10.6%)	4.4%	82.7%	5.0x	5.9x	6.1x	NA	24.0x	NA	0.8x
Cooper Industries plc	\$9,333.6	\$53.35	(8.5%)	17.1%	76.2%	9.9x	10.8x	10.8x	8.5x	14.9x	11.8x	0.7x
Median			(5.3%)	18.4%	82.9%	9.7x	9.0x	9.4x	7.7x	15.3x	11.6x	0.9x
Mid-Cap Power												
Ametek Inc.	\$7,881.2	\$42.74	(1.8%)	43.9%	90.9%	12.2x	10.9x	12.1x	10.2x	20.2x	16.1x	2.3x
Thomas & Betts Corp.	\$2,693.3	\$49.20	(5.7%)	22.1%	79.5%	8.3x	7.6x	7.8x	6.2x	16.4x	12.2x	0.4x
Valmont Industries, Inc.	\$2,757.6	\$97.81	4.3%	36.5%	84.3%	8.8x	7.0x	9.0x	7.1x	19.6x	13.9x	0.6x
Littelfuse Inc.	\$1,124.7	\$51.97	(9.5%)	45.9%	78.3%	6.7x	11.9x	7.3x	5.9x	13.7x	11.0x	(1.0x)
Powell Industries, Inc.	\$337.8	\$38.71	10.2%	15.6%	93.0%	4.0x	3.3x	7.3x	6.3x	43.7x	18.6x	(1.5x)
Median			(1.8%)	36.5%	84.3%	8.3x	7.6x	7.8x	6.3x	19.6x	13.9x	0.4x
Independent Power Producers												
NRG Energy, Inc.	\$13,847.1	\$24.85	3.9%	7.3%	96.8%	4.6x	4.2x	6.0x	7.1x	41.8x	20.8x	2.3x
Dynegy Inc.	\$5,091.8	\$5.91	(4.2%)	63.7%	85.4%	9.3x	11.0x	17.5x	12.3x	NM	NM	7.3x
GenOn Energy, Inc.	\$5,047.5	\$3.91	3.2%	NA	89.9%	NA	NA	22.5x	9.5x	NM	NA	2.0x
Mirrabooka Investments Limited	\$241.9	\$1.99	4.9%	34.5%	89.6%	NM	NM	NM	NA	22.0x	NA	NM
Median			3.5%	34.5%	89.7%	7.0x	7.6x	17.5x	9.5x	31.9x	20.8x	2.3x

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	Stock Performance					TEV / LTM EBITDA Multiple as of			TEV / 2011 EBITDA	P/E Ratio		Net Debt / EBITDA 1/28/2010
	TEV	Current Price	Change from	Change from	% of	7/28/10	1/28/10	Current		Current	2011	
		7/28/11	Prior Month	Prior Year	LTM High	7/28/10	1/28/10	Current	Current	2011		
Electric Utilities												
Southern Company	\$55,239.1	\$39.76	(1.1%)	8.7%	97.3%	9.2x	8.8x	9.4x	8.8x	16.9x	14.8x	3.9x
Dominion Resources, Inc.	\$46,405.3	\$48.99	2.5%	14.0%	97.1%	10.5x	9.2x	9.3x	9.2x	9.2x	15.1x	4.2x
NextEra Energy, Inc.	\$44,897.0	\$56.24	(1.5%)	6.0%	95.4%	8.2x	8.5x	9.0x	8.2x	12.9x	11.9x	4.6x
Exelon Corporation	\$42,648.3	\$44.62	4.8%	5.3%	98.6%	5.7x	6.0x	6.3x	8.2x	11.1x	14.5x	1.9x
Duke Energy Corporation	\$41,952.4	\$18.62	(0.1%)	7.6%	95.5%	8.1x	8.2x	8.3x	7.5x	17.9x	13.3x	3.8x
FirstEnergy Corp.	\$37,038.9	\$44.90	3.3%	15.9%	98.0%	9.9x	10.1x	12.2x	8.2x	20.8x	13.5x	6.7x
American Electric Power Co., Inc.	\$35,678.4	\$37.16	(0.7%)	1.5%	95.3%	7.8x	7.5x	7.4x	7.2x	14.6x	11.5x	4.0x
PPL Corporation	\$29,072.9	\$28.45	2.8%	3.5%	99.0%	10.5x	12.4x	9.6x	7.2x	11.8x	11.5x	8.2x
Progress Energy Inc.	\$26,244.6	\$46.79	(1.2%)	9.5%	95.4%	8.0x	7.8x	8.7x	8.7x	16.1x	14.6x	4.2x
Edison International	\$25,220.3	\$38.60	(0.2%)	15.0%	96.1%	6.0x	5.7x	6.7x	6.6x	10.4x	14.6x	3.1x
Entergy Corporation	\$23,574.1	\$67.27	(2.7%)	(15.2%)	83.3%	7.1x	7.1x	6.3x	7.2x	9.7x	10.9x	3.2x
Median			(0.2%)	7.6%	96.1%	8.1x	8.2x	8.7x	8.2x	12.9x	13.5x	4.0x
Renewables												
First Solar, Inc.	\$9,713.3	\$117.65	(5.6%)	(14.1%)	67.1%	4.9x	4.6x	3.8x	2.0x	16.8x	10.8x	(0.5x)
Vestas Wind Systems A/S	\$5,951.1	\$22.27	(0.1%)	(54.9%)	36.8%	1.9x	1.5x	0.6x	NA	28.6x	NA	2.4x
Suntech Power Holdings Co. Ltd.	\$2,871.0	\$6.96	(9.3%)	(34.0%)	64.3%	1.2x	1.9x	0.9x	0.8x	5.1x	7.4x	6.7x
SunPower Corporation	\$2,195.2	\$19.16	6.3%	46.4%	82.0%	1.1x	1.4x	0.9x	0.7x	12.7x	12.3x	2.7x
GT Solar International, Inc.	\$1,487.9	\$13.68	(15.0%)	120.3%	78.2%	1.1x	1.3x	1.7x	1.2x	11.0x	7.1x	(2.1x)
Clean Energy Fuels Corp.	\$1,163.7	\$15.99	20.5%	(7.0%)	82.6%	6.4x	7.5x	4.9x	2.9x	86.0x	80.0x	33.3x
Evergreen Solar Inc.	\$375.4	\$0.31	(43.5%)	(92.6%)	4.4%	1.4x	2.0x	1.3x	1.3x	NM	NM	36.2x
Rentech, Inc.	\$276.8	\$0.98	(4.9%)	0.1%	66.2%	2.0x	1.8x	1.8x	1.4x	NM	NM	3.7x
FuelCell Energy Inc.	\$207.8	\$1.36	0.0%	0.0%	56.4%	2.7x	3.0x	2.2x	1.3x	NM	NM	0.4x
Energy Conversion Devices, Inc.	\$153.2	\$1.03	(22.6%)	(78.8%)	17.8%	1.3x	2.3x	0.6x	0.7x	NM	NM	(198.6x)
Ballard Power Systems Inc.	\$80.0	\$1.54	(1.7%)	(14.2%)	59.6%	1.5x	3.1x	1.2x	0.8x	NM	NM	1.3x
Median			(4.9%)	(14.1%)	64.3%	1.5x	2.0x	1.3x	1.2x	14.8x	10.8x	2.4x
Cleantech												
Itron, Inc.	\$2,158.2	\$43.13	(8.1%)	(25.5%)	63.8%	1.5x	1.9x	0.9x	0.9x	15.2x	10.3x	2.0x
ESCO Technologies Inc.	\$1,041.5	\$34.98	(3.2%)	19.2%	81.1%	1.6x	1.7x	1.5x	1.4x	15.0x	14.8x	1.3x
Ameresco, Inc.	\$786.9	\$13.52	(5.8%)	NA	77.4%	1.0x	0.0x	1.2x	1.0x	17.9x	14.0x	6.4x
EnerNOC, Inc.	\$340.0	\$16.77	6.0%	(49.8%)	46.6%	3.1x	3.4x	1.2x	1.0x	95.2x	28.3x	(17.1x)
Echelon Corporation	\$326.6	\$8.63	(5.7%)	13.3%	80.5%	2.4x	3.0x	2.7x	1.9x	NM	NM	1.6x
PowerSecure International, Inc.	\$127.6	\$6.99	(2.4%)	(30.1%)	63.3%	1.8x	1.2x	1.3x	0.8x	NM	16.0x	(1.9x)
Comverge, Inc.	\$76.0	\$3.11	8.7%	(67.1%)	31.1%	2.0x	2.4x	0.6x	0.4x	NM	NM	1.1x
Median			(3.2%)	(27.8%)	63.8%	1.8x	1.9x	1.2x	1.0x	16.6x	14.8x	1.3x

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	TEV	Stock Performance				TEV / LTMEBITDA Multiple as of			TEV / 2011		P/E Ratio		Net Debt /
		Current Price 7/28/11	Change from Prior Month	Change from Prior Year	% of LTM High	7/28/10	1/28/10	Current	EBITDA	Current	2011	EBITDA 1/28/2010	
Industrial & Infrastructure Services													
Engineering & Construction													
Fluor Corporation	\$8,805.8	\$63.32	0.1%	30.3%	83.6%	5.9x	4.9x	11.8x	6.5x	31.7x	15.9x	(1.7x)	
Jacobs Engineering Group Inc.	\$4,660.9	\$39.16	(6.8%)	8.4%	70.3%	6.9x	5.8x	7.2x	6.7x	15.9x	12.8x	(0.5x)	
KBR, Inc.	\$4,611.1	\$34.95	(5.2%)	56.7%	88.8%	5.1x	3.7x	8.4x	6.3x	14.1x	13.1x	(1.1x)	
Dresser-Rand Group Inc.	\$4,568.8	\$53.30	3.8%	51.2%	94.3%	8.3x	6.5x	16.6x	8.6x	34.6x	16.3x	0.8x	
McDermott International Inc.	\$4,423.3	\$20.28	7.0%	(16.3%)	77.6%	9.8x	12.4x	9.9x	7.3x	19.0x	12.3x	(1.1x)	
Chicago Bridge & Iron Company N.V.	\$3,704.8	\$40.26	9.6%	91.1%	89.2%	5.6x	5.6x	9.7x	7.1x	17.7x	13.5x	(0.8x)	
URS Corporation	\$3,538.2	\$41.12	(5.8%)	0.5%	85.1%	7.1x	7.5x	5.6x	4.6x	13.0x	10.2x	0.4x	
Quanta Services, Inc.	\$3,515.6	\$18.58	(6.6%)	(14.7%)	76.8%	10.1x	9.0x	10.1x	6.4x	35.2x	16.5x	(1.3x)	
Shaw Group Inc.	\$1,811.8	\$26.04	(19.4%)	(20.2%)	62.6%	5.8x	5.3x	9.9x	5.3x	NM	11.1x	(0.3x)	
MYR Group, Inc.	\$456.7	\$24.41	8.0%	47.2%	92.0%	8.1x	7.8x	9.7x	6.5x	28.4x	17.0x	(0.9x)	
Pike Electric Corporation	\$378.5	\$8.65	(4.5%)	(8.5%)	82.5%	12.8x	6.4x	10.1x	6.5x	NM	29.1x	1.5x	
ENGlobal Corp.	\$121.1	\$4.00	29.9%	71.7%	70.4%	NM	12.2x	NM	4.6x	NM	7.7x	1.9x	
Median			(2.2%)	19.4%	83.0%	7.1x	6.5x	9.9x	6.5x	19.0x	13.3x	(0.6x)	
Industrial & Infrastructure Services													
EMCOR Group Inc.	\$1,599.0	\$27.56	(3.3%)	3.3%	84.2%	4.7x	3.5x	6.1x	5.0x	NM	11.9x	(0.8x)	
Cape plc	\$1,193.9	\$9.26	NA	NA	94.4%	NA	NA	8.0x	NA	13.9x	NA	0.6x	
Team Inc.	\$604.5	\$27.03	13.8%	90.1%	94.1%	7.8x	9.8x	10.9x	7.4x	20.5x	15.0x	1.9x	
Mistras Group, Inc.	\$482.9	\$16.92	4.4%	73.7%	91.7%	7.7x	14.6x	10.8x	8.1x	30.2x	22.0x	0.8x	
Matrix Service Co.	\$311.2	\$14.15	9.3%	47.5%	96.3%	NA	7.3x	9.6x	5.6x	41.5x	14.2x	NM	
Furmanite Corporation	\$290.6	\$7.80	(2.0%)	88.9%	90.7%	9.8x	13.7x	10.2x	7.8x	21.7x	13.8x	0.3x	
Median			4.4%	73.7%	92.9%	7.7x	9.8x	9.9x	7.4x	21.7x	14.2x	0.6x	

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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.

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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.

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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.

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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.

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Prior to joining Harris Williams & Co., Mr. Semple worked as a Global Banking Associate at Deutsche Bank. Within energy and power, Mr. Semple has advised a diverse range of businesses, including providers of energy efficiency and clean technology products and services, oilfield products and services, transmission distribution products and services, and power generation equipment. He earned an M.B.A. from the Darden School of Business at the University of Virginia and a B.A. from Trinity College in Hartford, Connecticut.

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Sources:

1. Capital IQ.
2. MergerMarket.
3. Baker Hughes.

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