

FOLEY EXECUTIVE BRIEFING SERIES



Clean Technology

Current Opportunities for
Innovation, Financing and Growth

June 10, 2009



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Panelists

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Agenda

- Panelist introductions
- Highlights from Foley & Lardner LLP 2009 Cleantech Energy Patent Landscape Report
- Additional Industry Information
- Discussion
- Q&A



Foley & Lardner

- Corporate and Business Transactions
- Private Equity and Venture Capital
- IP
- Government Regulation and Public Affairs
- Energy Facility Development
- Investigation and Litigation



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www.braemarenergy.com

- Focus on Energy Technology
- Target Investment Areas; Portfolio
- Recently Announced Deals
 - Enkern GreenField Alberta Biofuels Awarded Permit to Build World's First Commercial Municipal Waste-to-Biofuels Facility (May 20, 2009)
 - Braemar Energy Ventures Invests in Lighting Component Supplier Fulham (May 18, 2009)
 - Nuventix Secures \$8 Million In New Funding (April 13, 2009)
 - Nichia and Luminus Enter Cross Licensing and Manufacturing Partnership (February 2, 2009)

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Foley & Lardner LLP 2009 Cleantech Energy Patent Landscape Report

- Study of all utility patents issued in 2008 across nine cleantech categories: solar; wind; hybrid vehicles; biomass/biogas/biofuel; hydro/wave/tidal; batteries for vehicles; fuel cells for vehicles; nuclear; and geothermal
- Future version of the study may include energy efficient lighting, smart grid developments, carbon sequestration and renewable energy credits, and clean coal technologies

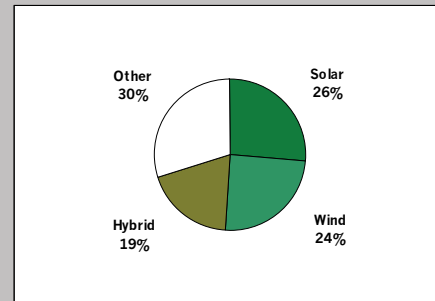
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Solar, Wind and Hybrid Vehicles Accounted for 70% of Cleantech Patents Issued in 2008

- Solar
(156 patents and 2958 claims)
- Wind
(144 patents and 2489 claims)
- Hybrid Vehicles
(113 patents and 1648 claims)



Subject Matter Categories in which the Most Patent Claims Were Granted:

- Photovoltaic Solar Cell Construction and/or Materials (1204 claims)
- Blade/Rotors for Wind Turbine Generators (1070 claims)
- Control Systems for Hybrid Vehicles (694 claims)
- Drive Train or Power Transmission for Hybrid Vehicles (464 claims)
- Upgrading/Processing Biomass Materials (420 claims)



VC Activity Compared to Patent Activity

- “Patent VC Index” -- Ratio (multiplied by 100) of (a) the percentage of VC investment in a cleantech technology category to (b) the percentage of patents granted for the cleantech technology category
- Patent VC Index over 100 means that ratio is greater than 1:1, and may reflect higher value placed by VC’s in a technology category
- Example: in 2008, 60.2% of cleantech VC investments were made in Solar and 27.4% of patents were granted in Solar – Patent VC Index is 220 (60.2 divided by 27.4 multiplied by 100)



Highest Patent VC Index Values

In 2008, the highest values of Patent VC Index were in

- **Solar** (220)
- **Biomass/Biogas/Biofuel** (211), and
- **Geothermal** (164)

- All Others Were Under 100:
 - Batteries & Fuel Cells for Vehicles (52)
 - Hydro/Wave/Tidal (51)
 - Wind (24)
 - Hybrid Vehicles (41)



East Coast Patent Activity As a Percentage of National Patent Activity

- Wind (60.1%)
- Hydro/Wave/Tidal (45.8%)
- **Geothermal** (40%)
- **Solar** (37.6%)
- **Biomass/Biogas/Biofuel** (28%)
- Hybrid Vehicles (14.9%)
- Batteries & Fuel Cells for Vehicles (13.6%)



VC Investment in Cleantech in Q1 2009

Down 84% from Q4 2008

“The Clean Tech sector, which crosses traditional MoneyTree industries and comprises alternative energy, pollution and recycling, power supplies and conservation, saw a substantial drop in investment levels with \$154 million going into 33 deals in the first quarter. This represented an 84 percent decline in the dollar level in the Clean Tech sector from the fourth quarter of 2008 when \$971 million went into 67 deals. This quarter marks the lowest investment level for the Clean Tech sector since 2005. In a departure from past quarters, the clean tech sector had only one of the top ten largest deals in the first quarter.”

Source: PwC/NVCA MoneyTree™ Report based on data from Thomson Reuters, April 2009



Economic Stimulus Package

- The American Recovery and Reinvestment Act of 2009 was signed into law in February, 2009
- \$787 billion economic stimulus package includes
 - Energy Transmission Items
 - DOE Loan Guarantees for Renewables and Transmission Projects
 - \$16.8 Billion in DOE Grants for Energy Efficiency and Renewable Energy
 - Federal Buildings Going Green
 - Federal and State Procurement of Fuel-efficient Vehicles
 - Energy Efficiency for U.S. Department of Defense Facilities
 - Energy Tax Provisions



American Recovery and Reinvestment Act: Opportunities for Massachusetts

- Department of Energy Resources
www.mass.gov/eea/recovery

Includes information on funding and contracts, including energy recovery opportunities and environment recovery opportunities

- Massachusetts Clean Energy Center
www.massCEC.com

The CEC will support venture creation, company development and workforce development in an industry of the future by: making direct investments in new and existing companies; and promoting training programs to build a strong clean energy workforce that capitalizes on the job opportunities created by a new industry.



Discussion

- How to identify game-changing technologies
- Which clean technology sectors are attracting venture capital
- Financing strategies for cleantech companies
- The outlook for alternative energy



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