

The Mariah Project Newsletter October 2009

To all landowners interested in the Mariah project

Introduction by Jim Swafford

We want to bring everyone up to date about the Mariah project. Below are the following categories that we will update each month:

- Status of wind measurements
- The interconnection process
- The approval process
- Land rights
- Other ongoing work

Please do not hesitate to contact me personally if you have any questions or concerns, or other information you would like to share with us.

Status of wind measurements

Since 2006 there have been performed wind measurements by AEI and paid for by the Bovina EDC and city of Bovina. These measurements have now been supplemented with two other wind measurement locations in existing radio masts. We now measure at higher heights and more locations than is normal for these types of projects giving us state of the art wind data for future calculations.

The first results from these measurements have already been identified. First of all the wind shear is higher than would be expected. Wind shear means the acceleration of the wind with the height. That means the turbines will be slightly higher. That also means that the Mariah project is very well suited for larger but fewer turbines per acre. The same amount of megawatts will be installed per acre, but will need fewer turbines to obtain this result.

Secondly, the preliminary results have shown that the first measurement equipment mounted in 2006 has measured slightly lower wind speeds than our newly installed equipment. Therefore we have concluded that the wind resources are **better** than first anticipated.

Extensive work has been done in micro siting, which describes the process of exact turbine placement. The areas within the Mariah project in Parmer county have been surveyed in detail. Dwellings, buildings and other obstacles of any sort have been identified and put in a database to be able to perform final micro sitings in the future. Final micro sitings will be performed during the final interconnection application process for the first 1.000 MW application to ERCOT and the CREZ line.

The Grid Interconnection Process

Since the start up of the project in March 2009, there has been a constant focus on resolving the interconnection issue. We have held numerous meetings with grid companies and grid consultants. This resulted in the application for 1.000 MW into the CREZ line June 20th. We got an answer from ERCOT near the end of September giving a green light for entering the next phase, the full interconnection application. The Mariah project will enter this application as soon as land lease agreements have been signed for 70.000 acres contiguous land bringing this part of the Mariah project into a Fast Track toward construction and operations. There is a **time restraint** on moving into the next phase.

Recently we have learned details about the Tres Amigas SuperStation, a joint venture between ERCOT, SPP and WECC, planned to be located north of Clovis, approximately 10 miles from the western boundary of the Mariah project. This could potentially open up possibilities to

interconnect the rest of the Mariah project in Parmer County not being connected to the CREZ line. We have full focus on the transmission possibilities of this superstation. More information can be found at www.mariahproject.com.

The Approval Process

Other than land lease agreements and grid access, there are a few formal permits but many obligatory approvals needed to make the Mariah project bankable. The needed studies have been initiated on both the federal and state levels. The chart below shows a general overview of these activities.

	WILDLIFE	WETLANDS	HISTORICAL	FAA	MICROWAVES	OTHER INFRASTRUCTURE
FISH AND WILDLIFE SERVICE	X	X				
TEXAS PARKS AND WILDLIFE	X					
US CORPS OF ENGINEERS						
ENVIRONMENTAL PROTECTION AGENCY	X					
FEDERAL AVIATION AGENCY				X	X	
HISTORIC PRESERVATION OFFICE			X			
TEXAS TECH UNIVERSITY	X	X				
OTHERS	X				X	X

Land Rights

The basis for the Mariah project is the land rights. If we cannot secure the land rights, we have no project. Therefore it is of most importance for us to establish a relationship with land owners based upon trust and even give and take. We are now negotiating with your representatives. We hope we can reach an agreement that the steering committee can recommend.

We have sent out a draft of land lease agreement to familiarize everyone with the general content of the lease. We emphasize that this draft is not final. A final proposal will be available later.

Other Ongoing Work

We have held numerous meetings with potential stake holders in the project, including politicians, grid companies, regulatory agencies (PUCT and SPP) and others. The wind power industry has been constantly informed about the project. Potential industrial partners have already been identified. We have experienced a tremendous interest in the project, and we will continue to follow up throughout the entire development phase of the project.

Our short term focus is the Tres Amigas Superstation (TASS) and how and when to request interconnection. In the weeks to come we have scheduled strategic meetings to get in a position to connect the Mariah project to this superstation. We will keep you updated as we go along.

On behalf of all of us at Scandiawind Southwest I would like to wish you a Happy Halloween.

Scandiawind Southwest LLC

October 2009

Jim Swafford
CEO