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**STARWOOD ENERGY ANNOUNCES CLOSE OF FINANCING FOR A 30  
MEGAWATT SOLAR PROJECT IN SAULT STE. MARIE**

**Financing for Combined 50 MW AC Project is Largest Closed to Date for a North American PV Solar  
Generation Facility**

**Greenwich, CT – September 28, 2010** – Starwood Energy Group Global, LLC (“Starwood Energy”), a private investment firm focused on energy infrastructure projects, today announced that its affiliate, Starwood SSM2 Canada Incorporated, has reached financial close on a 30 megawatt (MW) AC solar photovoltaic project in the City of Sault Ste. Marie, Ontario (“Starwood SSM2”). The project follows on the heels of Starwood Energy’s 20 MW AC Starwood SSM1 solar plant, which closed financing in December 2009 and is scheduled to be completed in near future.

Starwood SSM2, which will consist of three 10 MW AC solar photovoltaic power generation projects, is contracted under the Renewable Energy Standard Offer Program (“RESOP”) developed and overseen by the Ontario Power Authority (“OPA”) and will connect to local utility PUC Distribution, Inc. The project, when complete, will be among the largest of its kind in North America.

The project construction financing and long-term loan facility is being provided by Norddeutsche Landesbank Girozentrale (“Nord/LB”) and KfW IPEX-Bank (“KfW”), two global leaders in renewable energy project finance.

Q-Cells North America, one of the world’s largest photovoltaic companies, will construct the project on a turn-key basis and provide operations and maintenance services post-completion. In conjunction with closing, Q-Cells North America has been issued a full notice to proceed with construction activities.

Starwood Energy’s affiliate acquired the project in June 2010 from Pod Generating Group (“Pod”), a developer of community-scale solar power generating facilities. Equity financing for Starwood SSM2 will be provided by Starwood Energy Infrastructure Fund, L.P. (the “Fund”) and its affiliates. Nautilus Solar Energy (“Nautilus”), which is majority owned by the Fund and its affiliates, will also serve as asset manager for the project.

Local jobs will be created for engineering, construction and ongoing management, operations, and maintenance of the new solar facilities, which are scheduled to be operational in the third quarter of 2011.

Starwood SSM2, once built, will provide power for up to 12,000 Ontario homes, generating their power during the middle of the day, a time of highest demand on the local power grid. The facilities will also reduce yearly carbon emissions by an amount equal to displacing 5,700 cars and light trucks each driving 12,000 miles per year or to planting more than 24 million trees in Ontario's forests.

“We are grateful to Pod for their diligent efforts and very appreciative of the strong community and provincial support in Sault Ste. Marie and Ontario for this important energy infrastructure project,” said Bradford Nordholm, CEO of Starwood Energy.

“This financial closing culminates months of hard work by Q-Cells, Nord/LB and KfW, the same consortium that closed Starwood SSM1, and represents a significant milestone in project financing for utility scale solar generation projects in North America. We look forward to making future investments in solar projects in Ontario,” said Himanshu Saxena, Vice President of Starwood Energy.

Added Madison Grose, Vice Chairman of Starwood Energy, “Barry Sternlicht, the Chairman of Starwood Energy, and I are very proud of the entire team that has worked on this project and look forward to the completion of this project as Ontario points the way forward to a sustainable, energy independent future for North America.”

David Oraziotti, MPP for Sault Ste. Marie., commented, “Our government’s innovative green energy programs are leading the way in North America and delivering solar energy projects that are significantly improving our environment, creating local jobs and diversifying Sault Ste. Marie’s economy,” said David Oraziotti, Member of Provincial Parliament for Sault Ste. Marie. “The finalization of financing for phase two of the Starwood Solar Energy farm, which will make it one of the largest solar generation developments in North America, represents another significant milestone in creating renewable power in Ontario.”

“For a community of 75,000, we are fast becoming one of the largest when it comes to green technology,” said EDC CEO Bruce Strapp. “The second phase of Starwood’s solar initiative further supports our branded name of being the Alternative Energy Capital of North America. The EDC is appreciative of the hard work by those in both the public and private sector who supported Starwood and its partners.”

David Livingston, CEO of Pod Generating Group, commented, “We continue to be impressed by the commitment of the City of Sault Ste. Marie and the province of Ontario to clean, renewable energy and we are excited to be working with Starwood to make projects like this happen.”

Brian Curran, CEO of PUC Distribution, Inc., commented, “The 30 MW of new capacity, when combined with the 20 MW that is about to be connected to our grid, will result in PUC Distribution having the greatest amount of solar generation in Ontario. With a summer peak of between 90 MW and 100 MW and a winter peak of between 140 MW and 150 MW for Sault Ste. Marie, locally generated solar electricity will be supplying a significant portion of the community’s electrical demand.”

Nord/LB and KfW, both lenders on the 20 MW Starwood SSM1 project, have further demonstrated their commitment to renewable energy and, more specifically, to solar energy.

Nicolai Dillow, Senior Director of Nord/LB Americas, commented, “The closing of Starwood SSM2 further demonstrates Nord/LB’s continued commitment to both the solar sector as well as Ontario’s renewables initiative. It also marks another significant milestone in its relationship with Starwood Energy, who like NORD/LB, has a strong track record in investing in renewables in both the region and other parts of the continent. It is our hope that the experiences shared in the successful delivery of Starwood SSM2 will allow us to further strengthen this increasingly important and successful partnership.”

Peter Schäfer, Head of the Renewable Energies Department of KfW IPEX-Bank, added, “European, and particularly, German solar technology suppliers are among the global leaders in manufacturing high quality equipment for PV projects. If, as with this transaction, this know-how is made available for the promising Canadian solar market, we fulfill our mission twofold: we

promote European exports as well as the implementation of projects that contribute to global climate protection.”

“We are pleased to deliver our proven solar power plant technology for the SSM2 project to Starwood,” said Q-Cells North America COO, Boris Schubert, “Ontario’s solar industry is on the rise and we look forward to supporting Ontario’s visionary solar program.”

#### **About Starwood Energy Group**

STARWOOD ENERGY GROUP GLOBAL, L.L.C. (“Starwood Energy”), an affiliate of Starwood Capital Group Global, L.L.C. (“Starwood Capital”), is a private equity investment firm based in Greenwich, CT, that specializes in energy infrastructure investments. Founded in 2005, Starwood Energy is an active investor in power generation, renewable energy and high-voltage power transmission projects in North America. Starwood Energy has built and acquired a portfolio of natural gas fired power generation, a portfolio of high-voltage power transmission projects in various phases of development and operations, and a growing portfolio of renewable energy power generation projects. More information can be found at [www.starwoodenergygroup.com](http://www.starwoodenergygroup.com)

#### **About Pod Generating Group**

Pod Generating Group is one of Canada's leading independent community-scale solar power developers. Based in Sault Ste. Marie, Pod Generating Group is dedicated to working with local communities to develop clean and renewable power throughout North America.

#### **About NORD/LB (Norddeutsche Landesbank Girozentrale)**

Based in Hannover, Germany, Norddeutsche Landesbank Girozentrale (Nord/LB) has grown to be Germany's tenth largest financial institution with roots going back to 1765. The Bank offers a range of financial services including Project Finance, Real Estate Lending, Asset Backed Finance, Treasury and Capital Markets functions. The financing of renewable energies is one of the Nord/LB Group’s key areas of business growth. With a volume of around 3.5 billion Euros, the Group is already one of the leading finance providers in this sector. Nord/LB has an excellent track record in the solar sector that spans the entire globe, from rooftop & ground mount solar projects in Germany, Canada and US, to larger ground mount solar farms as well as panel & glass manufacturing facilities. In 2009, Nord/LB was the number one lender in solar PV financing in North America. More information can be found at [www.nordlb.com](http://www.nordlb.com)

#### **About KfW IPEX-Bank**

Within KfW Bankengruppe KfW IPEX-Bank is in charge of international project and export finance. It is responsible for providing financing to support the German and European economy, a task derived from the legal mandate assigned to KfW Bankengruppe. Its prime focus is on medium and long-term lending to boost the export economy, develop economic and social infrastructure and support environmental and climate protection projects. KfW IPEX-Bank operates as a legally independent group subsidiary and plays a major role in fulfilling the promotional mission of KfW Bankengruppe. It has approx. 521 employees (as of 31.12.2009) and is represented in the key economic and financial centres around the globe.

[www.kfw-ipex-bank.de](http://www.kfw-ipex-bank.de)

#### **About Q-Cells**

The Q-Cells Group is one of the world’s leading photovoltaic companies. Its extensive product portfolio ranges from solar cells and modules right up to complete photovoltaic systems. Q-Cells develops and manufactures its products at its Group headquarters in Bitterfeld-Wolfen, Germany and markets these via a global distribution network. A second production facility is located in

Malaysia. At Q-Cells, over 200 scientists and engineers are working on rapidly enhancing the technology in order to achieve the company's aim: reducing the costs of photovoltaics quickly and permanently, and making the technology competitive. The close intermeshing of research, development and production allows Q-Cells to put innovations into mass production in the quickest possible time and thus to assume a top technological position in the photovoltaic industry. Q-Cells SE is listed on the Frankfurt Stock Exchange (QCE, ISIN DE0005558662) and in the German technology index TecDAX. Visit the Company's website at [www.q-cells.com](http://www.q-cells.com).

#### **About Nautilus Solar Energy**

Founded in 2006, Nautilus Solar Energy, LLC ("Nautilus Solar") is a leading independent solar power producer headquartered in Summit, New Jersey. Nautilus Solar develops, constructs, finances, owns and operates distributed generation and utility-scale solar electric systems. The company sells its generated electricity through long term power purchase agreements. Nautilus Solar is majority-owned by an investment affiliate of Starwood Energy Group Global, LLC, based in Greenwich, CT.

Nautilus Solar was named a winner of the NJ BPU Clean Energy Award, as Trade Ally of the Year in 2009. More information can be found at [www.nautilussolar.com](http://www.nautilussolar.com).

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