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Starwood Energy Completes Financing on Midway Project

March 26, 2008 – Starwood Energy Group Global, LLC announced that it has closed a \$98.6 million credit facility to fund the construction of the Midway Project, a 120 MW simple-cycle gas-fired plant located 60 miles west of Fresno, California.

“The Midway facility is highly complimentary with the increasing supply of intermittent-wind resources while providing enhanced reliability and critical load balancing for Pacific Gas & Electric (“PG&E”) and the State of California. We’re pleased to have reached another important milestone to deliver on the promise that we made together with PG&E back in April 2006,” said Starwood Executive Vice President and Managing Director, Steve Zaminski.

The project is being constructed by a subsidiary of Pratt & Whitney, a division of United Technologies Corporation, through a turn-key Engineering Procurement and Construction contract. Groundbreaking will begin immediately, with a target completion date of May 2009. The plant will consist of two Pratt & Whitney FT8-3 turbines and will connect to 230-kV transmission lines owned by PG&E. PG&E will buy power from the facility under a 15-year Power Purchase Agreement.

The construction financing was arranged jointly by WestLB AG and Sumitomo Mitsui Banking Corporation (SMBC) and includes a \$72.0 million Term Loan A and a \$4 million Revolver. Further terms of the deal were not disclosed.

“The banks have made our initial funding and anticipate a smooth execution of the construction process,” stated Jonathan Cody, Managing Director at WestLB. Carl Morales, Vice President at SMBC, added “this represents another successful deal for Starwood and SMBC in California.”

Starwood Energy owns an 80% interest in 5 additional California plants representing 260MW of capacity through Calpeak Power, a joint venture with Tyr Energy.

“Starwood continues to believe that deals like Midway and Calpeak are a critical component of California’s green energy initiative both for their relatively-low emissions levels and their ability to ramp-up on short notice when renewable capacity is off-line,” said Starwood CEO, Brad Nordholm.

Starwood Energy, an affiliate of Starwood Capital Group, was founded in 2005 and is based in Greenwich, CT.

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