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Starwood Energy Announces Acquisition of Colorado Facility from Arroyo

April 14, 2008 – Starwood Energy Group Global, LLC announced that it has signed a definitive agreement with Arroyo Energy Investors LP (a Bear Stearns subsidiary) to acquire the Thermo Ft. Lupton Facility, a 272 MW combined cycle power plant and associated greenhouse steam-host located approximately 25 miles northeast of Denver. Terms of the transaction were not disclosed and the transaction is subject to regulatory approvals.

“Starwood is pleased to be in a position to add another high-quality asset to our WECC portfolio,” said Starwood Energy CEO, Brad Nordholm. “The Thermo facility is a critical resource to the Colorado grid, providing reliability and load balancing to support an increasing supply of intermittent renewable resources in the region.”

The project is fully contracted through June 30, 2019 via tolling agreements with Public Service of Colorado and Tri-State Generation and Transmission Association.

“Ft. Lupton has demonstrated a long track record of reliability and strong performance, due in large part to the outstanding staff at the facility. We look forward to working with the staff and to continued success in the future,” said Madison Grose, Vice Chairman of Starwood Energy.

WestLB AG and Sumitomo Mitsui Banking Corporation will lead the financing for the acquisition, which is expected to close in the next 30 to 60 days.

Starwood Energy is an affiliate of Starwood Capital Group Global, LLC, a multi-billion dollar private equity investment firm located in Greenwich, CT. Since 2005, Starwood Energy has committed to energy infrastructure transactions totaling \$3.2 billion of enterprise value including the Neptune Regional Transmission System, a 660 MW undersea power cable connecting Long Island to New Jersey, and CalPeak Power, LLC, a 260 MW portfolio of five natural gas-fired peaking power plants in California. Starwood Energy recently announced the successful completion of permitting and project financing for a natural gas-fired peaking power plant in Central California which is expected to come on-line in May 2009. More information is available at www.starwoodenergygroup.com.

Arroyo Energy Investors, LP is a wholly-owned subsidiary of The Bear Stearns Companies, Inc and is headquartered in Houston, TX.