



FOR IMMEDIATE RELEASE

Contacts:

Nth Power
Rodrigo Prudencio
415-983-9983
rprudencio@nthpower.com

Phase Two Strategies
Stuart Pearlman
212-530-7543
spearlman@p2pr.com

**NTH POWER STUDY FINDS 2001 ENERGY-RELATED VC INVESTMENT
SHOWED SOME RESILIENCY, CONTINUED BACKING OF INNOVATION**

***Energy Industry Fundraising at \$774.4 Million Last Year
Second Only to 1999's Record \$1.2 Billion***

SAN FRANCISCO, March 13, 2002 – All venture capital investment for energy-related start-up companies reached \$774.5 million during 2001, the second highest level ever, it was reported today by Nth Power LLC, the pioneering energy venture capital firm.

The total reflects a decline of 36% from the record \$1.2 billion in the prior year but was 80% higher than 1999's funding levels of \$442 million. Overall venture capital (VC) investment in 2001 was down compared to both prior years – off 61% from 2000's level and 31% lower than VC funds raised in 1999. These findings are from a just-completed study of energy venture capital funding conducted annually by Nth Power. The firm has tracked activity in energy VC back to 1993, well before energy venture capital funding was large enough to be broken out as a separate VC category. (See bar chart.)

In the sub-sectors of the category, as monitored by Nth Power, significant gains were registered in funding enterprises involved in enhancing the reliability and quality of electric power being delivered to customers, along with advanced transmission and distribution systems. Categories of investment that were lower in 2001 included outsourcing, distributed generation and storage, and communications, control and information technology.

Managing Director Maurice E. P. Gunderson, who founded Nth Power along with Nancy C. Floyd, said: "As our study shows, the momentum of energy venture capital funding, as a whole, was not immune to the overall venture capital slowdown of the past year. However, we

found that those organizations interested in this category of investment maintained their attention on the opportunities found in today's fast-changing energy market."

- more -

Mr. Gunderson noted that among the many energy sub-sectors where Nth Power is investing, developments in distributed power automation, remote power asset monitoring, advanced risk analysis and management tools, and emissions improvement technologies were of high interest.

Ms. Floyd, also a managing director of Nth Power, cited the need for the industry to be prepared for any future energy crunch, wherever and whenever that may occur. "As the industry's recent history has shown, power customers do not want to be surprised by future brownouts, blackouts or dramatic price fluctuations, regardless of their causes. That's why the energy industry is continuing to invest in better systems and solutions to deliver reliable power, real-time information, and decision making tools to keep customers satisfied."

Concluding Nth Power's comments on the study, Ms. Floyd said: "As we proceed on through 2002, we continue to seek companies with sound business plans and excellent management teams that are ready to pursue opportunities in the rapidly changing, high-potential energy industry. That combination is what explains strong investing in this sector over the last few years, and we don't see any change in that formula."

About Nth Power LLC

Nth Power began investing in 1996, focusing on the high-growth opportunities arising from the continuing restructuring of the nearly trillion-dollar global energy utility marketplace. Nth Power has over \$250 million under management, with investments in distributed generation and storage, communications and control technology, transmission system automation, outsourcing services, power quality and efficiency devices. Nth Power's limited partners include many of the world's leading electric and gas utilities and equipment manufacturers. Nth Power's Web site can be found at <http://www.nthpower.com>.

* * *BAR CHART FOLLOWS * * *

