

2009...A Year of Progress

As the calendar page turns from 2009 to 2010, it is important to stop and reflect on the significant progress that has been made in building what will be North America's largest and most environmentally "friendly" activated carbon plant. It is also important for us to pause and thank our employees, contractors, vendors, investors and customers for their unwavering contributions and support during this amazing year.

ADA Carbon Solutions, LLC (ACS) is the joint venture of ADA Environmental Solutions, a leader in pollution control technologies and equipment, and Energy Capital Partners, a leading investment firm in power generation and energy infrastructure. Their support provides ACS a strong foundation from which to build this plant.

ACS concludes 2009 well positioned, operationally, financially and strategically to meet the growing demand for powdered activated carbon (PAC) to remove mercury emissions from coal fired power and industrial plants. We are confident that ACS will be "best in class" in providing our customers the products, technology, infrastructure and services they will need to meet current and pending mercury emissions regulations.

In 2009 we achieved the following milestones:

Operationally, with the steadfast leadership of our Project Development and Operations team, ACS worked with our contractors to complete and successfully start up our processing and logistics facility near Natchitoches, LA in June of 2009. This facility can produce up to 60 million pounds per year (MPY) of PAC and is currently producing activated carbon to meet our customer's requirements for quality products and on-time deliveries until such time as our permanent facility is completed. Construction on the Red River Environmental Products (Red River) plant in Coushatta, LA continues on schedule. The initial multi-hearth furnaces for this 150 MPY plant will begin operations in second quarter of 2010 as planned, with all furnaces scheduled to be operational by August 2010. The Red River plant, when completed, will utilize advanced pollution control equipment and the conversion of waste heat into electricity to minimize emissions, reducing its environmental footprint. It will be one of the "cleanest" PAC facilities in the world.

Financially, since the inception of the project, ACS has had the strong financial support from Energy Capital Partners, a \$2.25 billion investment firm. Energy Capital Partners continues to provide the capital required to keep the Red River project on schedule. Additionally, in December of 2009, ACS received a conditional loan guarantee for \$245 million from the U.S. Department of Energy (DOE) to finance the plant. ACS expects this financing to be in place in 2010 upon completion of due diligence and other closing requirements. ACS is proud to be working with the DOE and is appreciative of the confidence the government has shown in support of our enterprise.

Strategically, the Red River plant is a strategic asset for the electric generation industry, coming on line as many coal-fired power companies in the United States and Canada are required to meet mercury emissions regulations, mandated by the states or provinces in which they operate. Additionally, with the *Federal Rule* on mercury emissions currently under review by both the EPA and Congress, the Red River plant will bring PAC to the market in time to fill the additional activated carbon demand this new MACT regulation will generate once enacted. ACS offers electric generators a unique opportunity to satisfy their activated carbon needs with a reliable domestic source, as other current suppliers reach their production capacity limits. ACS continues to sign PAC contracts for the output of this new facility, as customers validate the strategic benefits of aligning themselves with ACS. As new customer commitments are being added, our logistics network is expanding to provide strategically located supply locations in both the U.S. and Canada. This expansion is being done to allow our customers local/regional deliveries. Additionally, our relationship with ADA Environmental Solutions and their history and pioneering knowledge in mercury control, allows ACS to continually research new PAC products to meet the individual needs of the various mercury pollution control configurations for our customers. We will continue to be a leader in this area, and are currently evaluating multiple new potential products and their effectiveness for the evolving marketplace.

ACS has achieved these significant milestones in an effort to bring our customers an alternative, cost-effective PAC supply for mercury control. We are excited to be on the cutting edge of a new decade, and are delighted that we have been given the opportunity to bring our talent, tenacity, resources and our relentlessness to support the coal-fired industry in meeting the mercury emissions standards of a new era.

On behalf of the Management Team of ACS we would like to say, "Thank you employees, contractors, vendors, investors and customers for the role that you have played in the success of this project in 2009. We look forward to continued success and furthering our relationships in 2010 as our new plant evolves from a *vision* into a *reality*."