

Delta Power Services, LLC (DPS), a subsidiary of Babcock & Wilcox Power Generation Group, Inc. (B&W PGG), is pleased to submit for your consideration, the requested proposal to Cate Street Capital, LLC ("Cate Street") for operations and maintenance services of the Laidlaw Berlin BioPower, LLC ("Berlin") biomass-fired power plant located near Berlin, NH, or such other project name, if so changed,.

B&W PGG is the oldest boiler OEM in the United States. Since entering the boiler business in 1867, B&W has delivered an ever broadening array of products and services for both utility and industrial customers. Included in our portfolio are site management and operations services, up to and including overall responsibility for power production units at facilities nationwide. We will couple our understanding of power generation units with our ability to establish and run complex business operations to enable your site to run smoothly and cost effectively into the future.

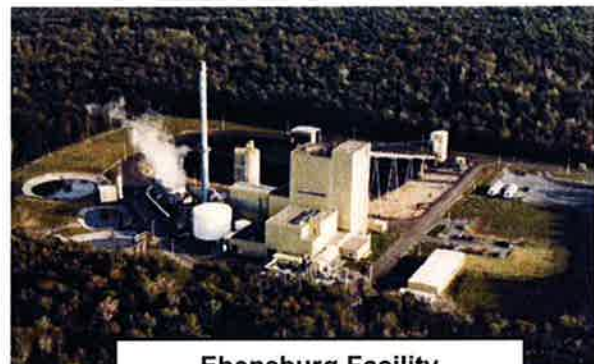
EXPERIENCE:

Delta Power Services, LLC (DPS) was formed to provide world class operation and maintenance capability to the electric power industry to bring added value to our customers and employees.

- The Delta Power Services experience list includes O&M responsibility for 23 power stations. We have employed 320 people at 26 different locations. DPS/B&W currently provides operations and maintenance services for power generation projects at nine (9) power facilities in six (6) different states (See Experience List attached).
- Delta Power Services provides both local and headquarters support. Our Houston headquarters office provides support for all management, operations, human resource, payroll, environmental, safety and administrative efforts. DPS also provides regional management support as indicated on the attached organization chart. In addition, DPS receives back office support services from B&W PGG, including accounting, treasury, information technology, field services, engineering, payroll and legal services.

In addition, and parallel to Delta Power Services operations, B&W Power Systems personnel manage, maintain and operate two power production facilities.

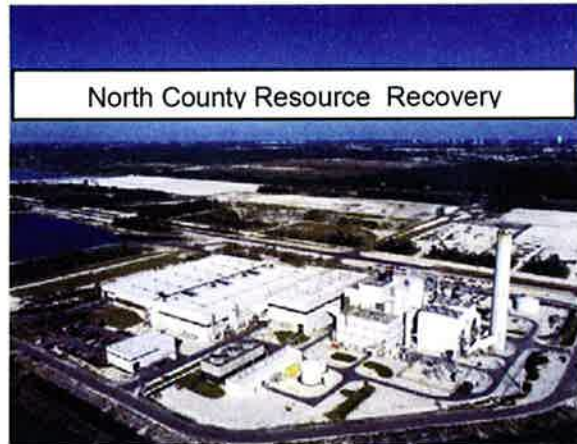
- Ebensburg Power Company is a Pennsylvania general partnership for a sixty megawatt (60 MW) gross capacity, waste coal-fired power plant located in Cambria County, Pennsylvania. B&W Power Systems has successfully developed, erected and managed the operations and assets at Ebensburg since 1991.



Ebensburg Facility

- North County Resource Recovery Facility is a 60 MW refuse-derived fuel plant located in Palm Beach County, Florida. B&W has operated this facility since 1989 and was recently awarded a 20-year O&M contract extension.
- B&W also designed, built, commissioned and operated the Lauhoff Grain facility, a 225klb/hr coal-fired CFB plant in Danville, Illinois. B&W Power Systems initially operated and maintained this facility after its 1990 commercial operation date until Lauhoff in-sourced the operations and management.

Babcock & Wilcox Technical Services Group, Inc. (B&W TSG) has successfully managed and operated two major National Nuclear Security Administration sites (Pantex and Y-12) for the Department of Energy for over seven years. Single purpose entities were formed to manage each one of these sites. B&W TSG's responsibilities include providing management personnel, assuming day-to-day responsibility for site personnel, managing and operating facilities including nuclear reactors, and fulfilling administrative functions.



Solid Fuel Specific Experience

DPS currently operates three (3) solid fuel specific projects. Cadillac is a 40 MW wood-chip fired biomass in Cadillac Michigan owned by a partnership entity. The Mecklenburg Power Station (132 MW), owned by Dominion / Virginia Electric Power Company, is a pulverized coal power station that is a part of Dominion's rate-based generation and is designated as a contracted asset. The Central Power and Lime Cogeneration Station (150 MW), a pulverized coal station in Brooksville, Florida, is owned by an affiliate of Arroyo Energy.

When combined with B&W O&M experience, the total experience for solid fuel grows to eight (8) including the Sunnyside Cogen project (58 MW) CFB coal plant, the Ebensburg Power Plant (55 MW) CFB coal plant, the Bunge Lauhoff Grain plant (20 MW) CFB coal plant, the West Enfield (27 MW) wood-fired biomass plant, and the Jonesboro (27 MW) wood-fired biomass plant.



Babcock & Wilcox Power Generation Group, Inc.

With more than 140 years of experience in the power generation industry and a well-established and long-standing presence in solid fuel boiler production and related environmental systems, Babcock & Wilcox is uniquely qualified to bring world-class operations and maintenance expertise to this new pulverized coal-fired opportunity. B&W, including DPS, currently performs operations and maintenance services on eleven (11) multiple technology energy facilities in North America through a highly skilled and experienced staff.

B&W's safety vision is to finish each and every day injury and incident free. We are committed to creating an accident-free workplace at all locations and job sites. We insist that all company business is conducted in an environmentally friendly and safe manner. This safety commitment is known to B&W as "TARGET ZERO." To that end, our EH&S department provides direction for B&W's environmental, health and safety programs; monitors compliance with company policies, goals and expectations; and provides support to ensure a safe, environmentally responsible workplace.

B&W PGG added Delta Power Services to its portfolio of companies; this combination added substantially to the service capability and depth of both. The Babcock & Wilcox Company was a wholly owned subsidiary of McDermott International until August of this year, when B&W became an independent publicly traded company. This gives DPS the financial strength and

backing of a \$5.6B company (2007 year-end revenues) and over \$9.8B in backlog (2007 year-end). It also provided access to the human resources of over 10,500 energy professionals.

CAPABILITIES:

Delta Power Services, fully supported by B&W PGG, is exceedingly capable of supporting your project.

- DPS maintains the highest levels of performance in its operational fleet. We currently maintain our power stations to a reliability level well above industry average.
- As discussed above the entire scope of solid fuel experience in the B&W O&M portfolio is eight (8) facilities operated and maintained over a twenty year period. This experience includes wood-fired biomass, pulverized coal, waste coal-fired and energy from waste.
- DPS has an exceptional record of successfully transitioning plant staff to DPS, thus maintaining the highest levels of continuity at each site. We also utilize the change of employment opportunity to re-screen employees to ensure that only well-qualified, competent employees make the transition. To date, DPS has succeeded in absorbing 99% of existing personnel from 19 plants into our own ranks. Where obligated by agreement, we fully re-staff projects.
- While DPS has significant project transition experience, the O&M team has developed a superior mobilization and pre-commercial operations planning program to support green-field operations and maintenance projects. The DPS management team has numerous successful O&M startups within their experience and all of the B&W Power Systems projects were green-field development projects.
- Once we take over operational control, DPS has demonstrated an impressive *Best in Class* record of improving operating plant heat rate efficiency, reliability and availability. Often, these improvements can be gained with little capital expenditures. Most improvements are achieved by addressing long-standing legacy issues (more typical in a brown-field application). For example, one plant reduced operating costs by nearly \$1.1 million dollars annually through application of improved procedures and minor repairs. The same plant improved plant availability by 1.5% and reduced outages attributed to switchgear issues.
- At another station, DPS took over on the fly, sourcing an entirely new staff, under adverse conditions, while moving the work force from union to non-union representation. We quickly established a solid, positive working environment.
- That same power station under DPS operation has made significant improvements to heat rate, reliability, availability and environmental compliance. *Heat rate was improved by ten percentage points.* Availability has soared from 87% to 96% and reliability has risen by 3%. In addition, we implemented our EH&S standards and site-specific compliance plan, corrected many long-standing compliance issues, and resolved several legacy permit issues inherited from the previous operator.

- Implementing the DPS EH&S program has significantly improved the cumulative plant EH&S performance for regulatory compliance, legacy violation mitigation, and the OSHA Recordable Incident Rate (RIR). As a result, there has been a reduction in business risk and an improvement in operational performance. DPS has aggressively strived for 100% EH&S regulatory compliance and an accident-free workplace. Our continuous effort to accomplish this mission has resulted in a 38% cumulative average improvement in regulatory compliance since 2005. Our 2005 to 2008 cumulative OSHA Recordable Incident Rate has outperformed the cumulative industry average by 48%.
- DPS has established a history of fostering robust, broad-based, top-to-bottom culture of safety and environmental compliance. When we assume management of a new facility, there can be EH&S challenges, such as program development and implementation requirements, or rectifying legacy issues. The DPS EH&S strategy is to immediately conduct a full EH&S review, and to quickly identify areas of concern. Once the target areas are identified, our EH&S program is implemented to make all necessary improvements. As a result, DPS facilities have experienced significant improvements in regulatory compliance and have benefited from the mitigation of legacy issues. The immediate improvement is confirmation of the positive effects of the DPS culture and process change that is necessary for a consistent and successful program.
- We apply a continuous improvement management philosophy in the development of the safety and environmental culture. Through the implementation of safety policies and procedures, environmental compliance tools, facility Best Practices reviews, and the daily support of corporate EH&S, the DPS plants have a sound EH&S infrastructure to facilitate peak performance.

PROPOSED TERMS:

Proposed Term and Nature of Agreement