

### **Ongoing Sideways Movement in Clean Energy Globally, as Seen in the NEX Index®**

*Clean energy stocks worldwide as captured by WilderHill New Energy Global Innovation Index (NEX) saw ongoing mainly sideways movement during August 2008 with a lack of clear direction either way, following the sizeable declines earlier in the year.*

London and U.S.A. September 2, 2008 – After the first four weeks into July saw some moderate declines in the NEX Index®, the first four weeks in August have brought mostly sideways action; so far year to date 2008 has delivered mainly declining values.

Looking at WilderHill New Energy Global Innovation Index — NEX Index® over the first 4 weeks ending in August, beginning with a partial week starting on July 29<sup>th</sup> and ending August 4<sup>th</sup>, the NEX initially finished that first week at 365, down 1.1%. Nasdaq edged down 0.9% and S&P 500 slid 1.2%. AMEX Oil fell 2.4% while the price of crude oil dropped below USD \$120 per barrel on expectations that demand will ease owing to the economic slow-down and increased production from OPEC.

Power storage companies notably fell 8.9% during that week from July 29<sup>th</sup> to August 4<sup>th</sup>, to become the worst performing sector in NEX. Two Japanese power storage giants in particular drove the sector down with losses of 13% and 12%, respectively, as part of a wider sell-off prompted by worries that Japan may declare that it is in economic recession. In addition, a Belgian advanced battery maker plummeted by 13%.

Energy efficiency firms in the NEX Index® too declined 3.6% in the week to August 4<sup>th</sup>. A US electronic components manufacturer led the losers here plunging 21% after it posted larger-than-expected losses for Q2 FY08 and cut its FY08 outlook. Two US firms also continued their losing streaks dropping 16% and 15% respectively. On a more positive note an AIM-listed carbon credit trading platform provider gained 7% after it signed a joint venture agreement and looked at starting a trading platform in China.

Although the biofuel and biomass companies in the NEX Index® declined just 0.6%, one constituent Brazilian biodiesel producer lost 30% over the course of the week to August 4<sup>th</sup> after a Brazilian congressman drew up a bill that could hamper biodiesel production. This fall was partly offset by a US biofuels and specialty enzyme producer's increase of 12%, thanks partly to a three-year grant from a New Zealand foundation for research.

The solar sector, then the heaviest weighted sector in the NEX, picked up 1.1%. One NYSE-listed Chinese firm in solar PV added 8%, while a conglomerate Japanese electronics and PV cell maker retreated 8% as its Q1 FY08 operating profit sank 14%.

In addition the 'renewable other' sector (mainly then mini-hydro and geothermal firms) rose 3% in that week, as one hydro developer surged 19% after an analyst upgraded its rating.

### **The Week of August 5-11**

The NEX Index® next finished the week of August 5<sup>th</sup> to 11<sup>th</sup> at 364, down just 0.1%.

Nasdaq and S&P 500 increased 6.8% and 4.5%, respectively, thanks to appreciation of the US dollar and improved economic sentiment in the US. AMEX Oil climbed 1.9%.

Wind, then a heaviest-weighted sector in NEX dropped 3.5% to become worst performer. One Chinese wind turbine manufacturer plummeted 24% following its acquisition of a 34% stake in a Chinese mining company, and amid weaker market sentiment in China. In addition a Danish project developer sank 14%, and a US carbon fibre-maker dropped 11% after it revealed its Q3 profit was 54% lower than last year due to higher expenses.

The 'renewable-other' sector (mainly made of mini-hydro and geothermal firms) declined 3%, and the hydrogen and fuel cells sector shed 1%. An Australian hydro project developer fell 10% and a Japanese fuel cell developer dipped 6%.

The solar sector (weighted slightly less than wind) edged down by 0.7% for this second week ending into August. Although a German solar PV manufacturer surged 15% after it revealed overseas projects and restructuring had vastly improved sales, a Canadian supplier of the cadmium telluride used such as for emerging thin film PV dropped 17%.

On a more positive note, the smaller power storage sector jumped 6% to become best performing sector. All constituents made gains, led by a Japanese advanced battery maker which soared 14% after the company's joint venture plans to boost production capacity by five times to 10,000 units per year in the short term to meet anticipated growth in demand for electric vehicles.

Energy efficiency companies rose 4.3% in this second week. A US component maker made a gain of 17%, while a US energy equipment supplier saw its shares slide 26% after it reported a higher-than-expected quarterly loss and lowered its 2008 guidance.

Biofuels and biomass developers picked up 1.6%. A US bioethanol processing technology developer rocketed 22% on news of a USD 90m, 18-month investment commitment, while another fell by a 10% after a major Bank lowered its target price on the stock and analysts said they suspected the company may delay production due to lack of cash to buy feedstock.

### The Week of August 12-18

NEX finished this third week into August at 359, down 1.5%. Nasdaq edged down 0.9% and S&P 500 declined 2.0%. AMEX Oil continued to fall, this time by 2.6%, as oil prices fell further on the prospect of reducing energy demand and a weak global economy.

The wind sector dropped 5.2%. A Shenzhen-listed Chinese wind turbine manufacturer suffered from a 12% loss this week largely due to deteriorated stock market sentiment in China more broadly. One Nasdaq-listed US carbon fibre maker fell by 11%, following a substantial decrease in its net profit for Q3 FY08 from the previous quarter.

The biofuels and biomass sector too went down 3.9%. A German biogas plant developer plummeted 18% after its H1 2008 loss widened due to decreased demand from customers and high agricultural commodities prices. A US bioethanol developer fell 11% as

ethanol's struggle with higher corn price and thus tough margins, continues.

The solar sector defied the downward trend with a 4.2% rise. A NYSE-listed but based in China solar PV manufacturer surged 26% after it posted tripled earnings in Q2 FY08 over the previous quarter and inked a five-year deal with an Indian firm to supply 300MW of solar wafers from Q1 2009. Next in line was a US-based rival, which gained 16% following a 250MW PPA with a major California utility. Lastly a US solar PV wafer, cell and module manufacturer increased 12% in the third week ending in August.

#### The Week of August 19-25

NEX closed the 4<sup>th</sup> week of August 19<sup>th</sup> to 25<sup>th</sup> at 367, up 2.3%. Nasdaq slid 2.1% and S&P 500 edged down 0.9%. In contrast, AMEX Oil increased 3.3% as the US dollar lost ground against the euro and the Japanese yen amid tension between the US and Russia.

The power storage sector led the way with a gain of 4.7%. A Belgium advanced battery material technology developer gained 9% after it reported its H1 2008 recurring EBIT rising 8% to EUR 215m (USD 319.3m) from 199m last year.

The wind sector followed with a relatively modest gain of 2.0%. A Shenzhen-listed Chinese wind turbine manufacturer recovered 9% from last week's loss thanks to a receipt of RMB 25m (USD 3.6m) subsidy from the Chinese government. This has largely covered an Australian wind power project developer's fall of 11%, within the wind sector. That latter company's shares plummeted after it agreed to sell 421MW of wind farms to a Spanish construction giant for an enterprise value of EUR 780m.

The 'renewable-other' sector (mainly made of mini-hydro and geothermal firms) also went up 2.0%, largely due to the 4% increase at a US geothermal project developer.

The solar sector rose 1.1%, and the top three performers there were all NYSE-listed Chinese companies. One surged 27% to take the lead after its Q2 FY results showed a 58% rise in annual earnings and it said it expected polysilicon prices to fall 20% in 2009.

Next in line was a solar PV manufacturer that soared 22% on its announcement that it will build a 10MW solar power plant in Beijing in 2009. In addition a Chinese wafer maker also jumped 18% with its production capacity being built rather quickly. The gain could also be attributed to its improved estimates for 2009 revenues.

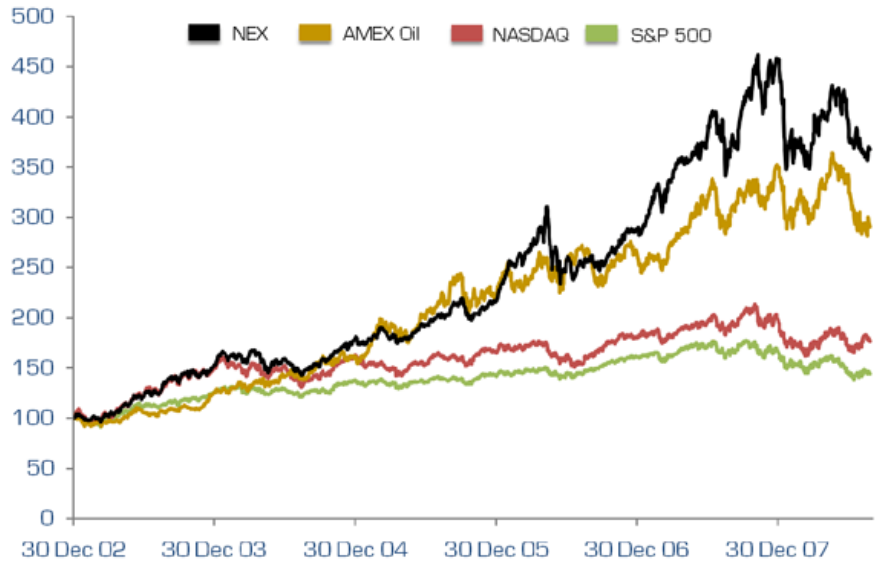
The worst performing sector was hydrogen and fuel cells, with a 1.6% loss. One US portable fuel cells developer and a pure play within this sector, in particular sank 12%.

Lastly the biomass and biofuels sector fell 1.2 for that week%. A German biogas plant developer plunged 13%. A large US bioethanol producer dropped 13% just as the company announced a USD 750m share offering which may be used to repay debt.

The only gain of 13% came from a Brazilian ethanol producer whose jump could be

attributed to an increase in market price of ethanol in Brazil. The following chart depicts the NEX Index® through the end of that fourth week (ending on August 25, 2008):

**NEX vs AMEX Oil, Nasdaq and S&P 500 (NEX to date: August 25, 2008)**



**AMEX Oil, Nasdaq and S&P 500 rebased  
30 Dec 2005 = 216.25**

*Source: New Energy Finance, AMEX*

Following are data on the NEX for Entire Month of August 2008 (through Aug. 31, 2008):

**Top 5 Gainers in terms of % change for Month of August**

Name	Country	Sector	% Change
LDK Solar	China	RS	+52
Suntech Power	China	RS	+42
Kingspan Group	Ireland	EFF	+24
SunPower	RS	RS	+23
International Rect.	US	EFF	+23

**Top 5 Losers in terms of % change for Month of August**

Name	Country	Sector	% Change
5N Plus	Canada	RS	-23
Zoltek	US	RW	-23
Xingjiang Goldwind	China	RW	-35
American Super.	US	EFF	-37
Comverge	US	EFF	-39

**Market Summary for the Entire Month of August 2008:**

Index	Aug. Performance	2003 YTD	2006 YTD	2008 YTD
NEX	-1.2%	272%	72%	-18%
AMEX Oil	-0.2%	196%	34%	-14%
NASDAQ	1.8%	76%	7%	-10%
S&P 500	1.2%	45%	2%	-12%

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#### About WilderHill New Energy Global Innovation Index (the NEX Index®)

WilderHill New Energy Global Innovation Index (NEX) is comprised of companies worldwide whose innovative technologies focus on generation and use of cleaner energy, conservation, efficiency and advancing renewable energy generally. Included are lower-carbon approaches relevant to climate change, smarter solutions that avoid greenhouse gases and technologies reducing emissions relative to traditional fossil fuel use. A majority of companies in NEX are listed on exchanges outside of the United States.

The NEX calculates live in several currencies including in the U.S. Dollar, in the Euro, in the Pound Sterling, & in the Japanese Yen.

NEX Index launched February 1, 2006 and is published by WilderHill New Energy Finance LLC as a partnership between New Energy Finance Limited based in London, Joshua Landess based in the U.S, and Dr. Rob Wilder based in the U.S. For more info, <http://www.nexindex.com>

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#### About New Energy Finance

New Energy Finance is the world's leading independent provider of research to investors in renewable energy, biofuels, low-carbon technologies and the carbon markets. The company's research staff of 50 (based in London, Washington, New York, Beijing, Shanghai, New Delhi, Tel Aviv and Perth) tracks deal flow in venture capital, private equity, M&A, public markets, asset finance and carbon credits around the world.

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#### About Joshua Landess

Josh Landess is a pioneer in the creation of alternative energy stock market indexes, creating his first in 2000. In 2004, Landess and Wilder, with the American Stock Exchange led the team that created the WilderHill Clean Energy Index® (ticker: ECO). In January 2006, Landess and Wilder collaborated with New Energy Finance to create

The WilderHill New Energy Global Innovation Index, the first global index in New Energy put out over the tape.

#### About Dr. Rob Wilder

Dr. Rob Wilder is widely published in the fields of energy and environment and is co-Founder and Manager of the WilderHill Clean Energy Index® (ECO), the first index of companies for renewable energy, energy efficiency and lower-carbon solutions. It is tracked by a WilderHill Clean Energy Portfolio exchange traded fund that has over \$1 billion in assets since launching in 2005. <http://www.wildershares.com>

#### Disclaimer Note

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