



KPMG LLP
700 Louisiana Street
Houston, TX 77002

Telephone 713 319 2000
Fax 713 319 2041
Internet www.us.kpmg.com

June 7, 2010

Mr. Yogesh Kotak
ETG Power Limited
801 Twin Towers
Baniyas Street
P.O. Box 15162
Dubai, U.A.E.

RE: Phase I Asset Valuation Related to ETG Power Limited's Frame 9E 230MW Gas Turbine Power Station as of May 4, 2010

Dear Mr. Kotak:

In accordance with our engagement letter dated May 4, 2010, this addendum was prepared to provide a tangible asset valuation of Frame 9E 230 MW Gas Turbine Power Station (the "Subject Asset") owned by ETG Power Limited ("ETG" or the "Company"). The date of value is May 4, 2010 (the "Valuation Date").

KPMG will estimate the fair market value of the Subject Asset as of the Valuation Date. We understand that our report and conclusions will be utilized for business planning purposes. We understand that ETG would like to establish a special purpose vehicle for exploiting various opportunities, such as entering into Engineering, Procurement and Construction and other contracts to sell the complete plant to interested buyers and take equity participation. It is our understanding that ETG is assessing the value of the Subject Asset based on a power purchase agreement ("PPA") in certain locations. The locations include: the Republic of Ghana, located in West Africa ("Ghana"); The People's Republic of Bangladesh, located in South Asia ("Bangladesh"); and the United Republic of Tanzania, located in central East Africa ("Tanzania"). No other use is intended or implied.

Please note the estimates in this report are only related to the tangible asset valuation per the Phase I scope of the engagement.

Standard of Value

The fair market value¹ ("FMV") is defined as the following:

"The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."

¹ American Society of Appraisers definition has been adopted from the International Glossary of Business Valuation Terms which includes five organizations: (1) American Institute of Certified Public Accountants, (2) American Society of Appraisers, (3) National Association of Certified Valuation Analysts, (4) The Canadian Institute of Chartered Business Valuators, and (5) The Institute of Business Appraisers.



The premise of value used to measure the FMV of an asset depends on the highest and best use of the asset by market participants. For the tangible assets, KPMG utilized the premise of the FMV in-exchange², defined as the following:

“The highest and best use of the asset is in-exchange if the asset would provide maximum value to market participants principally on a standalone basis.”

Valuation Opinion

In arriving at our conclusion, KPMG applied generally accepted valuation procedures based upon economic and market factors as of the Valuation Date. KPMG prepared the valuation on the basis of public information, audited and unaudited financial information, and other material information provided by ETG management (“Management”).

Unless otherwise specified in this report, our analysis assumed that the Company had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor had any litigation pending or threatened that would have had a material effect on our analysis.

KPMG relied on Management to fairly represent the facts and circumstances regarding the operating results and financial position of the Company. The results and conclusions presented in this report may be materially affected to the extent that actual information differs from that which was provided to us.

Based on the valuation analysis described in the accompanying report, the range of FMV in-exchange related to the Subject Asset is summarized in the following table.

Phase I Estimate as of the Valuation Date	
Subject Asset	(\$ / kW)
FMV <i>in-exchange</i>	\$410 - \$460

Overview of the Subject Asset

The 230 MW gas turbine power station is currently located in Peterhead, Scotland. The major components consist of, but are not limited to: two GE PG9161E (Frame 9E) power packages, a water injection system for NOx reduction, a Speedtonic Mark IV control system, and step-up transformers. Each Frame 9E unit is ISO rated at 116.4MW on gas and was designed to run on the local Miller Field sour gas with No. 2 distillate fuel as a backup.

The station was commissioned in 1992 and the total fired hours are approximately 15,000 hours. Based on the survey conducted by Turbine Technology Services Corporation, the two turbine units appeared to be in “very good” condition and have been well operated and maintained during their operational life. Based on the borescope inspection performed by TC Power Ltd., the two turbine units are in “excellent” condition and ready for service.

² FASB ASC 820 “Fair Value Measurements”, formerly FAS 157.



Valuation of the Subject Asset

In estimating the FMV in-exchange of the Subject Asset, we relied primarily on the cost approach. The cost approach determines the value of an asset as an estimate of the current cost to purchase or replace the asset. This is based upon the principle of substitution. A prudent investor would pay no more for an asset than the amount necessary to replace the asset. Replacement cost establishes the highest amount that a prudent investor would pay for an asset. To the extent that the asset being valued provides less utility than the new one, the value of that asset is less than the replacement cost. Accordingly, the replacement cost is adjusted for losses in value due to physical depreciation, functional and economic obsolescence.

The estimate of FMV using the cost approach is based on current replacement and/or reproduction cost new ("RCN"), less depreciation attributable to physical, functional, and economic factors. KPMG primarily relied on the "Assumptions to the Annual Energy Outlook 2010" ("EIA 2010 Outlook") published by the U.S. Energy Information Administration as of April 2010. Based on the EIA 2010 Outlook, the RCN for a similar power generating station is approximately \$635/kW. Please note that the RCN estimate does not include geographic multipliers, contingency factors, and interest charges. To estimate RCN in-exchange, KPMG valued the Subject Asset on a standalone basis. As such, we removed the estimated soft costs related to installation, engineering, commissioning/permitting, etc. In addition, we also excluded certain assets which are not economically feasible to remove and relocate, such as building exterior, foundation, fuel tanks, fire & gas protection system, etc. In conclusion, the RCN in-exchange for the Subject Asset is approximately \$510/kW.

KPMG also conducted market research and interviewed brokers, dealers, and engineering consulting firms in the industry. Based on our preliminary findings, a new, unused, and ready-for-sale Frame 9E turbine generator was quoted to be approximately \$45 MM per unit. To estimate RCN in-exchange, we added additional capital expenditure related to the miscellaneous equipment, such as step-up transformers, control system, water injection system, etc. As a result, the RCN in-exchange for the Subject Asset is approximately \$460/kW.

Physical deterioration is the loss in value brought about by wear and tear, action of the elements, disintegration, use in service, and all other physical factors that reduce the life of an asset. KPMG was provided information pertaining to the total fired hours and current condition. The total fired hours are approximately 15,000 since 1992. Since the simple-cycle power station typically operates as a "peaker plant" which runs only when there is a high demand, we estimated the effective age to be approximately between three to five years. In addition, the Subject Asset is in "very good" to "excellent" condition based on the survey and inspection reports provided by the Company. As such, we estimated the physical depreciation to be approximately 10 percent and the estimated FMV ranged between \$410/kW and \$460/kW or between \$94MM and \$106MM.

This addendum is not intended to be used, nor should be used, in connection with any tax matter. In the event the Client uses this report for or in relation to any tax matter, the report is not intended or written by KPMG to be used, and cannot be used by a client or any other person or entity for the purpose of (i) avoiding penalties that may be imposed on any taxpayer or (ii) promoting, marketing or recommending to any other party any matters addressed herein.

KPMG has no present or contemplated future interest in the Subject Asset, ETG Power Limited, or any other interest, which might prevent us from performing an unbiased valuation.

Thank you for the opportunity to be of service to you.

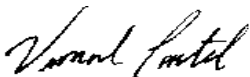
Respectfully submitted,

KPMG LLP

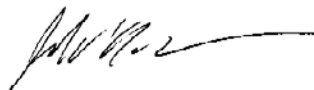
Certification

We hereby, to our best knowledge and belief, certify the following statements regarding this opinion:

- 1 The statements of fact contained in this report are true and correct.
- 2 The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, unbiased professional analyses, opinions, and conclusions.
- 3 We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- 4 We have no bias with respect to the subject matter of this report or to the parties involved with this engagement.
- 5 Our compensation for this engagement is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Company, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.
- 6 Our engagement for the provision of services was not contingent upon developing or reporting predetermined results.
- 7 Our analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with, generally accepted standards and are subject to the requirements of the code of professional ethics and standards of professional conduct of the professional appraisal organizations of which we are members.
- 8 We are in compliance with the certification programs of the professional appraisal organizations of which we are members.
- 9 Our analyses, opinions, or conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- 10 The persons listed below provided significant professional assistance to the persons signing this certification.



Managing Director



Manager

Assisted By: Chih Wei Feng

KPMG LLP
Valuation Services Limiting Assumptions

1. **Nature of Opinion.** Neither our opinion nor our report are to be construed as a fairness opinion as to the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation, but, instead, are the expression of our determination of the fair [market] value of the Subject Assets between a hypothetical willing buyer and a hypothetical willing seller in an assumed transaction on an assumed valuation date. For various reasons, the price at which the Subject Assets might be sold in a specific transaction between specific parties on a specific date might be significantly different from the fair [market] value expressed in our report.
2. **Going Concern Assumption, No Undisclosed Contingencies.** Our analysis (i) assumes that as of the Valuation Date the Company and its assets will continue to operate as configured as a going concern; (ii) is based on the past and present financial condition of the Company and its assets as of the Valuation Date; and (iii) assumes that the Company had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business, nor had any litigation pending or threatened that would have a material effect on our analysis.
3. **Reliance on Forecasted Data.** Any use of management's projections or forecasts in our analysis does not constitute an examination or compilation of prospective financial statements in accordance with standards established by the American Institute of Certified Public Accountants ("AICPA"). We do not express an opinion or any other form of assurance on the reasonableness of the underlying assumptions or whether any of the prospective financial statements, if used, are presented in conformity with AICPA presentation guidelines. Further, there will usually be differences between prospective and actual results because events and circumstances frequently do not occur as expected and those differences may be material.
4. **Verification of Legal Description or Title.** We have made no investigation of legal description or title and have assumed that owner(s) claims to property are valid. No consideration will be given to liens or encumbrances which may be against the property except as specifically stated as part of the financial statements you provide to us as part of this engagement. Full compliance with all applicable federal, state and local zoning, environmental, and similar laws and regulations is assumed, unless otherwise stated, and responsible ownership and competent management are assumed.
5. **Verification of Hazardous Conditions.** We will not investigate the extent of any hazardous substances that may exist as we are not qualified to test for such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation or other hazardous substances or environmental conditions may effect the value of the property, the value will be estimated predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility will be assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

6. **Condition of Property.** We assume no liability whatsoever with respect to the condition of the subject property for hidden or unapparent conditions, if any, of the subject property, subsoil or structures, and further assume no liability or responsibility whatsoever with respect to the correction of any defects which may now exist or which may develop in the future. Equipment components considered, if any, were assumed to be adequate for the needs of the property's improvements, and in good working condition, unless otherwise reported.
7. **Zoning.** It is assumed that all public and private zoning and use restrictions and regulations had been complied with, unless nonconformity was stated, defined and considered in the report.
8. **The Americans with Disabilities Act ("ADA").** The ADA became effective January 26, 1992. We will not make a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more requirements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we will not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.