



FREE FLOW POWER

Market-Leading US Hydropower Developer

Why Hydropower?

- Hydropower is 100% clean, green energy.
- It consumes no natural resources, produces no emissions, and creates zero waste.
- It is a base-load resource providing reliability to the grid that other renewables lack, and with an asset life of 50+ years
- It is a fuel-free generating source, providing a predictable and stable cost curve with an established technology
- Hydropower is the most competitive new-build generation opportunity, which is provided entirely from local sources of energy

Opportunity in Hydropower

- The vast majority of dams in the United States today have no hydro generation (77,000 out of 79,000 existing provide a retrofit opportunity)

Tax

- 30% Federal tax credit for new hydro on existing dams — parity with wind and solar for the first time
- ITC extended to December 31, 2013 with favorable change on commencement, rather than completion, of construction

Regulatory

- Focus by Federal agencies on improving regulatory process (MOU amongst FERC, DOI, DOE, Army Corps of Engineers)
- 77,000 of nation's 79,000 dams have no generation capacity, many owned by government

Cultural

- Changing views of environmental groups (environmental impact as a “sunk cost”)
- Recognition of new hydro on existing dams as reliable, clean, and renewable energy

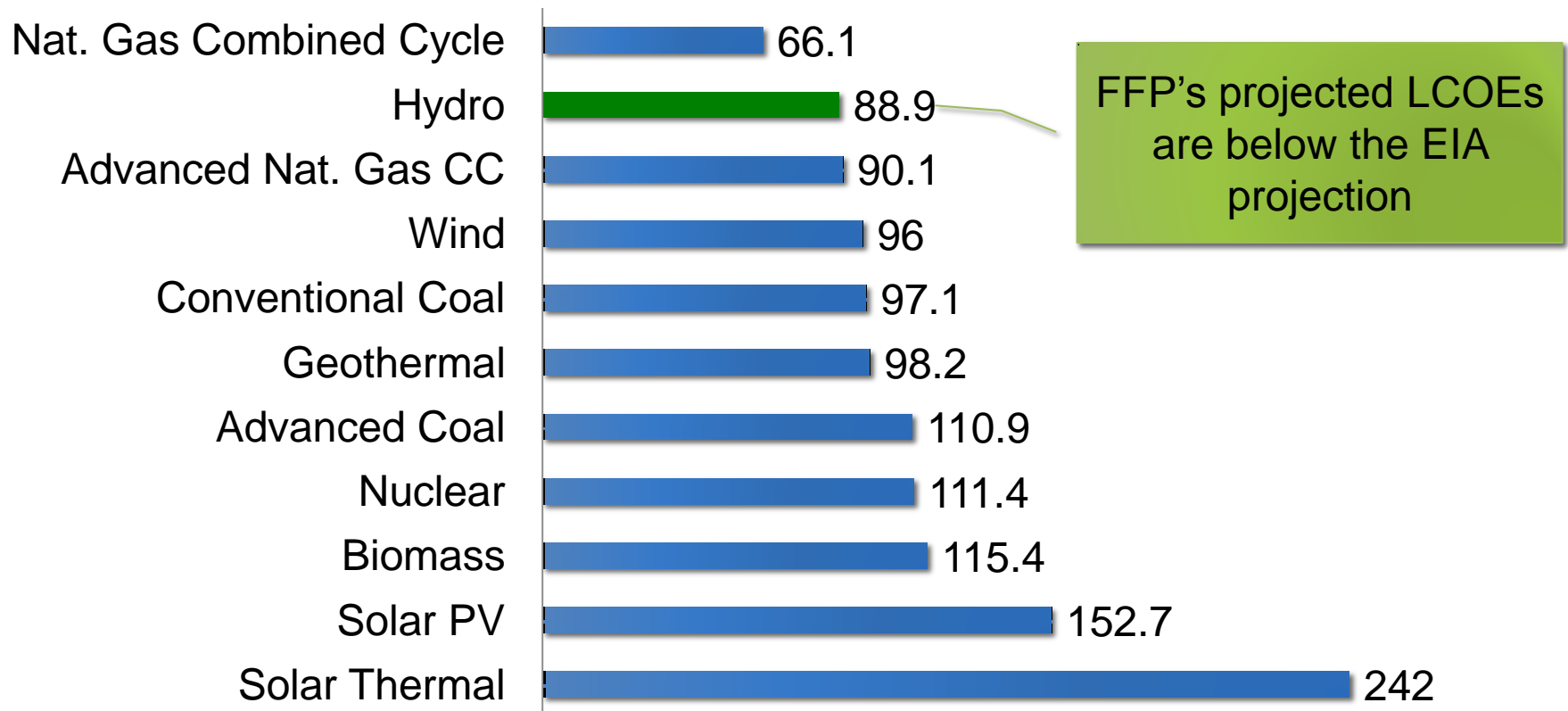
Market

- Indications of interest from buyers with low WACC
- Operating hydro plants selling at high values

Hydropower is Cost-Effective

- The EIA projects that hydropower's levelized cost is the second lowest after natural gas

Levelized Cost of Energy (\$/MWh)



Source: U.S. Energy Information Administration, Annual Energy Outlook 2012, June 2012, DOE/EIA-0383(2012)

Company Overview

- Free Flow Power Corporation (FFP), founded in 2007
- Acquired Black Brook Environmental, a 20-yr. old hydropower project developer, in 2008
- Acquired Clean River Power in 2010
- 24 professionals, many with 15-30 years experience
- One of the most active developers of new hydropower projects in the US
- Over 750 MW development pipeline

Leading Hydropower Developer

Develop new hydropower

Acquire and operate
hydropower assets

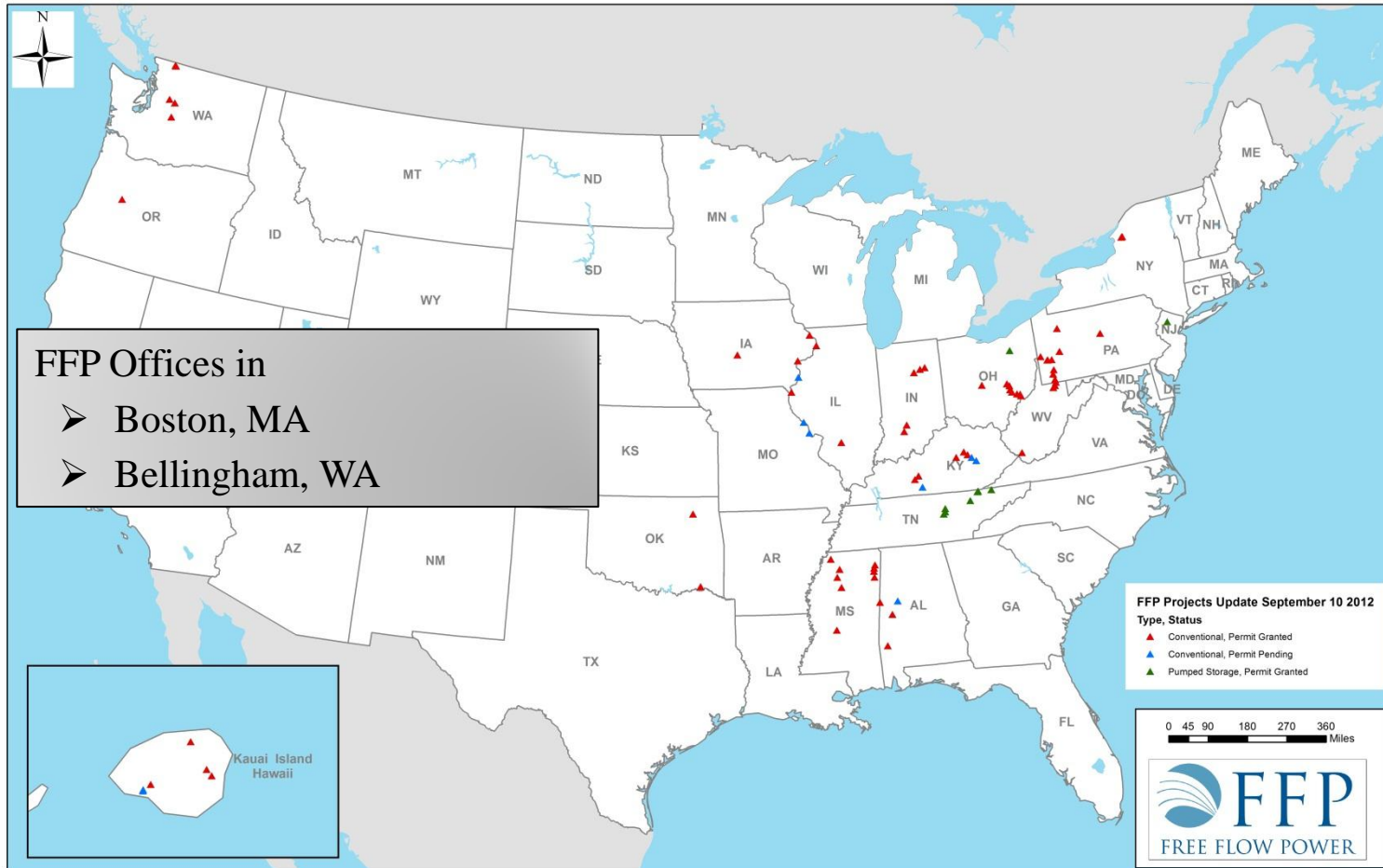
FFP is a Hydropower Developer

- FFP's Business Model is to:
 - Grow the business by executing investment thesis - to capture opportunity to build new hydro capacity at existing non-powered dams by
 - Permit new hydro projects and develop them through to COD
 - De-risking individual projects through a cost-effective design and a regulatory approach which emphasizes early inclusion of key stakeholders
 - Finding funding partners or buyers with low cost of capital
 - Support further growth through other business revenue to pay for overhead and supporting business lines such as energy trading
 - FFP has current clients it provides services to including a financial investor, a bond guarantor, and a utility
 - Newly acquired energy capacity will be used for proprietary trading and for services business offering power scheduling to small utilities in the area

FFP's Execution Strategies

- Secure rights to high quality sites
- Build a team with comprehensive and integrated expertise in engineering, regulatory, and power marketing
- Cluster projects to:
 - Mitigate dry-hole risk during lengthy regulatory process
 - Achieve scale economies
- Establish strong relationships with stakeholders, including many historically opposed to hydropower
- Focus on marketing projects to buyers with low cost of capital

FFP Current US Locations



Hydrokinetic Generation

- Free Flow Power continues to investigate the development of hydrokinetic generation at 68 sites in the Mississippi River from the confluence of the Ohio River to the Gulf of Mexico.
- These projects would use the velocity of the water to generate electricity without building a new dam or diversion.
- Hydrokinetic power, is mostly installed in man-made irrigation canals which produce consistent, controllable, and measurable water flows.
 - This is a major advantage over other clean energy sources, as it makes hydrokinetic power much more appealing to investors and utilities, giving it more potential for substantial growth.
- Hydrokinetic power has a relatively quick and easy installation process.

Is it feasible for FFP?

- FFP is currently re-evaluating our hydrokinetic projects in the free-flowing portion of the lower Mississippi River.
- Specifically, the factors that are being re-evaluated are:
 - Proposed project siting and configuration.
 - Viability of an installation of an in-situ demonstration deployment.
 - Existing economic pressures in current electricity markets.
- FFP anticipates making a decision regarding the continued feasibility of these projects in the next month or so and will communicate that decision to all stakeholders.

Promoting Alternative Energy in Arkansas

- Although Arkansas does not fall under the current RPS initiatives, your aim should be to promote the development of renewable generation technologies.
 - hydropower should be treated with the same regard as wind and solar.
 - Unlike wind and solar, hydro output can be easily throttled up or down, to keep the electrical grid in balance.
- Coordination of state agencies and departments involved in the review of environmental and resource protection so that they speak with "one voice" and on a common timetable.
- Early identification of "go/no-go" issues.
- Responsive processing of the required 401 Water Quality Certification
- Increased incentives through "Protection Tax Credits", loan guarantees, "Clean Renewable Energy Bond", and "Qualified Energy Conservation Bonds".

APPENDIX

Management Team

- **Henry Dormitzer**, President and Chief Executive Officer
 - 21 year professional career in management and infrastructure, project and tax-advantaged finance; former managing director at UBS, former Massachusetts revenue commissioner and member of Governor's cabinet
- **Ramya Swaminathan**, COO and CFO
 - 10 years of project finance experience at UBS and is a principal architect of FFP's development strategy
- **Paul Jacob**, Chief Commercial Officer
 - 20 years in energy marketing, trading and generation asset management including as president of Edison Mission Marketing and Trading
- **Jonathan Dollard**, VP Project Engineering and Operations
 - 25 years designing, building and operating hydropower projects; former manager of Enel North America's 58 hydropower plants in the US, one of the largest portfolios in North America
- **Daniel Lissner**, General Counsel
 - 10 years of litigation and transactional experience; heads FFP's regulatory effort in addition to role as corporate counsel

Senior Staff and Advisors

- **Elvir Mujanovic**, Vice President of Finance
 - 4 years of project finance experience at UBS and Merrill Lynch; 2 years corporate finance experience at FFP
- **Maureen Winters**, VP Project Development
 - 26 years experience in regulatory and environmental affairs
- **Jason Hines**, VP Project Development
 - 25 years of experience in hydroelectric development, project evaluation, design, and construction
- **Brian Gordon**, Director of Origination
 - 16 years experience in wholesale energy marketing including power purchase agreements for generation with emphasis on serving municipals and cooperatives
- **Melissa DeValles**, Director of Business Development
 - 10 years of experience with energy projects, including the acquisition of renewable energy non-utility generators, operations, project development and finance.
- **Mark Lassman**, Director of Energy Trading
 - 20 years of experience trading electricity and gas in Northeast markets
- **Ushakar Jha**, Senior Project Engineer
 - 8 years experience designing hydropower projects
- **Tom Feldman**, Senior Project Manager
 - 15 years of consulting experience in energy markets
- **Brig. Gen. (Ret.) Robert Crear**, Chairman of FFP Development, Board Member
 - Former Commander Mississippi Valley Division; former Chief of Staff to Commander of the Corps