

Welcome to SgurrEnergy's first Newsletter

As our first ever Newsletter I thought it prudent to say a few welcoming words and to give an overview of our aims, goals and achievements here at SgurrEnergy (pronounced 'skoor').

Our guiding light is the desire to deliver 'sustainable energy solutions today for tomorrow'. We believe the global energy arena is presently riding an increasing wave in the transition to a more balanced approach to energy resources and away from a complete dependence upon fossil fuels. But it is still early days for many Nations and for a number of technological solutions. To address these challenges our aims are focused at; promoting awareness and understanding of renewable energy and its benefits, increasing the amount of energy generated by renewable energy sources through increasing efficiency and scale, developing highly profitable energy solutions

and projects for our customers, enhancing sustainable development, and bringing environmental, economic and social benefits to local and regional communities on the international stage.

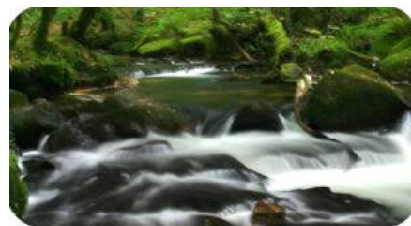
In achieving these aims our goal is to be the renewable energy consultancy of choice for developers, operators, governments and non-government organisations, local authorities, communities and people in general.



Recent achievements that indicate we are on the right track include ISO 9001:2000 and ISO 14001:1996 accreditation and our winning of the Green Energy Best New

Renewable Business Award, 2004. But there is more to follow, we are presently working towards ISO 14001:2004 and Investors in People accreditation and have been increasing our profile internationally and in new business areas, such as, biomass. From a bottom-line perspective, in the last 2 years we have achieved sustained growth in turnover (50%), personnel (30%), client base and operating footprint; these are trends we are all committed to continuing by adding value to our customers and developing new and innovative solutions ahead of the game.

Finally, welcome to our first edition newsletter. The idea is to keep you abreast of our operations and developments and to make you aware of the skills and competences we possess that you can leverage for your advantage.



Wardlaw Wood

SgurrEnergy often works closely with Mott MacDonald and teamed up with them again earlier this year to carry out a technical due diligence of Wardlaw Wood wind farm, which is being developed by Community Windpower. The work was undertaken on behalf of Barclays Bank and consisted of a full review of energy yield prediction, turbine technology and contract documentation. Located in North Ayrshire, the project consists of 6 Vestas V90 3MW turbines.

The V90 turbine is relatively new to the market and Vestas has taken the opportunity to incorporate some innovative design features. With Wardlaw Wood one of the first UK projects to use the machine, a thorough assessment of the turbine technology was a key part of the work. SgurrEnergy assessed the turbine in terms of manufacturer capability, product design, suitability for site and compliance with grid constraints. An energy yield prediction was also conducted, drawing on SgurrEnergy's extensive experience of complex Scottish sites and incorporating further modelling to predict the effects of forestry removal across the site.

With the due diligence successfully completed the project is now under construction and Community Windpower is confident that the project will go online in April 2006.

Don't Bank on it - the importance of Due Diligence

One of the many high value services offered by SgurrEnergy is that of Technical Due Diligence to banks, fund providers and developers. When a proposed project needs funding or an existing project is offered for sale the most prudent investors will not commit funds until they have been assured that they are making a good investment. However, good investment decisions are not based upon finance and risk management alone. Increasingly, the

technical viability of an investment opportunity and, particularly for engineering projects, the claims made regarding output are in need of intense scrutiny before a decision can be made. This is where SgurrEnergy comes in. With more than 20 years of due diligence experience our staff have been involved in a number of renewable projects of different scales and scope from initial concept through the development cycle to operational and maintenance

support. With the increased globalization in the Renewables Market and the associated geographical extension of investors interests, SgurrEnergy has increasingly been called upon to carry out due diligence in projects both in the UK and overseas.

For further information please contact Ian Irvine at ian.irvine@sgurrenergy.com.

Noise team's quiet success

The SgurrEnergy noise team has quietly been building an ever stronger reputation in the area of Noise Impact Assessments (NIA). This has included a study for Scottish and Southern Energy on the proposed National Grid upgrade from Beauly to Denny, which has the aim of enhancing support to the ongoing development of

renewable energy projects in the north of Scotland.

Spread over 8 months, this study involved the team traveling all 210km of the proposed line to collect base line data from nearly 300 separate points identified as potentially being sensitive receptors due to their locations. The results are being used to assess the viability of the power

line from a noise impact perspective.

Additionally, the team has also been working on NIA for a number of potentially new Wind Farm Developments.

For further details contact Eric Donnelly at eric.donnelly@sgurrenergy.com

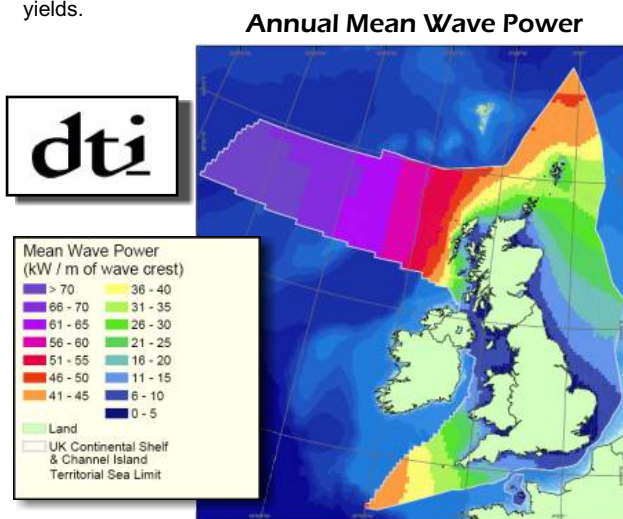
Watch it! The tides coming

Marine technologies have been a long way behind Wind, Hydro and Biomass as practical options for renewable developers; but these new technologies are getting closer to being both practically and financially viable. It looks increasingly likely that wave and tide resources will form the next wave of technologies to join the ever increasing mix of energy sources to help ensure the diversity and reliability of supply required to keep the lights on.

knowledge of the marine environment to develop a service suite in order to support clients in this area. In addition, we are presently developing a new tool to assist in more accurate analysis and prediction of marine energy yields.

If you would like to find out more about our capabilities in marine technologies please contact Gregory Dudziak at gregory.dudziak@sgurrenergy.com

As in the wind energy sector, the UK has some of the best natural resource for marine energy with the potential to create a world leading industry (see attached map). SgurrEnergy has recognised this growth area and are looking at complementary competences from our existing skill set and



Technical Advisor roles expanded

The SgurrEnergy implementation team has achieved a number of notable successes in providing Technical Advisor Services. Working for Energy4All, SgurrEnergy has recently been appointed as Technical Advisor for the Westmill wind farm near Swindon, this is a 6.5 MW project comprising of 5 x 1.3 MW turbines. Additional operations include; assisting ScottishPower with the implementation of the Beinn Tharsuinn wind farm with 17 x 1.75MW and assisting E.ON with the implementation of the Byley Gas Storage Project.

For further details contact Steve McDonald at steve.mcdonald@sgurrenergy.com.



Biomass gathers weight

Government policy is on the move in support of biomass for heat and electricity production; this will include other areas such as support for rural diversification, co-firing and community initiatives. As such, use of biomass as a fuel at all scales is becoming an increasingly attractive proposition. SgurrEnergy fully supports the emergence and implementation of biomass as a major renewable technology in the UK and overseas. It is our belief that biomass energy will play a lead role in underpinning the economy of

rural communities by extending the range of opportunities that can be usefully accessed by all; from large corporations to timber companies, farmers and rural communities.

SgurrEnergy can deliver a comprehensive package of support, development, consultancy and implementation services relating to biomass project identification, feasibility and implementation. These include, but are not limited to: biomass energy resource assessments and fuel supply evaluation; statutory consents (including

planning and environmental management); project feasibility, site assessment and cost analysis; renewable energy power plant systems development and implementation; co-firing technology assessment, development and implementation; grant evaluation and application; and business/project planning, financial analysis, control and management.

For further details contact John Seed at john.seed@sgurrenergy.com