

Suffolk Energy Partners, L.L.C.

Gas Rights Agreement

Southeastern Public Services Authority

Presentation to SPSA Board of Directors – Executive Session
Presentation Summary



Executive Summary

Suffolk Energy Partners, L.L.C., (“SEP”) has requested, through Southeastern Public Service Authority’s (“SPSA”) PPEA proposal, the replacement of its current gas rights agreement with a new gas rights agreement. The current agreement expires in 2011 and provides SEP with the right to collect all gas from cells I thru V; the agreement also obligates SEP to maintain the gas collection system for these cells in such a manner that SPSA remain in compliance with its Title V Permit.

The SEP proposal includes the granting of gas rights for cells I – VI plus all future cells, if and when they are developed. The proposal would increase the royalty payments made to SPSA to 30% of gross revenues received from the sale of constituent products from LFG – an increase from the existing 12.5%. The proposal would also obligate SEP to install a gas collection system in cell VI and maintain the gas collection system in cells I – VI in compliance with SPSA’s Title V Permit.

A more detailed presentation is planned for the February 24, 2010 meeting of SPSA’s Board of Directors.

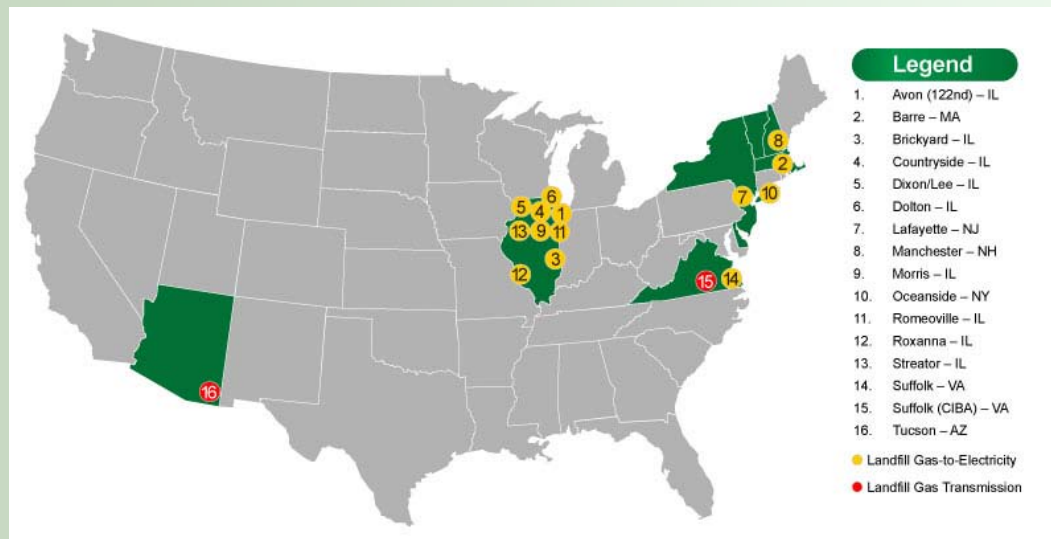
Suffolk Energy Partners, L.L.C.

- Owned 100% by:
 - Biogas Energy Solutions, LLC (“BES”)
 - Successor to U.S. Energy Biogas Corp.



BES biogas energy solutions

- Owns and operates 19 LFG-to-energy facilities
- 17 electricity projects / 2 pipeline projects
- Entered LFG business in the 1990s
- Built, own and operate all facilities in portfolio
- Sole business is LFG-to-energy projects
- Corporate philosophy: *“The landfill owner is our customer”*



BES Involvement with SPSA

- Assumed gas rights contract in 1994
- Electricity Production began in 1994
- CIBA pipeline operations began in 2001
- Approximately \$14m invested in facilities
- Own generating facility and pipeline to CIBA
- No NOVs/compliance violations

SPSA Operations

- 2009 operations:
 - 22,621,000 kwh sold
 - 200,530 mmBtus sold
 - 121,140 mmBtus flared
 - Approximately \$280,000 in royalty paid to SPSA
- \$2.1m in royalty payments from 2001 to 2009



Existing Gas Rights Agreement

- Gas rights for cells I – V
- Terminates in 2011
- Royalty payment of 12.5%
- SEP maintains gas collection system in compliance with SPSA's Title V Permit



Proposed Contract

- Extend contract 20 years, with options
- Include cell VI
- Include all future cells
- Increase royalty from 12.5% to 30%
 - Increase Year 1 royalty to \$1.2m from \$300,000
 - Projected royalty 2011 thru 2020 = \$11m
- Obligate SEP to install cell VI collection system
- Obligate SEP to maintain cells I – VI collection system
- Grants SPSA right to assign agreement

Expanded Energy Project

- Expand energy production to monetize all gas
- Provide CIBA with additional energy
 - Potential \$20m investment
 - Fix CIBA's future energy costs
 - Provide CIBA cost advantage to internal and external competition
- Utilize local contractors
- BES investment:
 - \$1m for well field improvements
 - \$2m for process improvements, minimum; additional investment depends on final project
- Maintain SPSA gas compliance



In Closing ...

The information being provided in this summary presentation is intended to provide a brief history of our relationship with SPSA and offer a summary of the terms of the proposed gas rights agreement. A detailed presentation is scheduled to be presented during the meeting of the SPSA Board of Directors scheduled for February 24, 2010.

If, prior to the board meeting, you have any questions or have issues that you would like to see addressed during the Board presentation, please feel free to contact me via email at daugustine@besch4.com or via phone at 860-678-7537 x13.

Richard J. Augustine
CEO